

NEWS SUMMARY

GENERAL BUSINESS

U.S. and Jordan ease tension

Tension between the U.S. and Jordan has apparently eased after the first talks for three years between President Carter and King Hussein.

Mr. Carter said Jordan could not avoid a central role in Middle East peace-making, although King Hussein said he still disagreed with the U.S. approach.

Syria and the Palestine Liberation Organisation said they would adopt a tougher policy towards Israel, Egypt and the U.S. aimed at changing Arab strategy in the region.

Whitehall 'switch' Civil Service Department work should be taken over by the Treasury, says Cabinet Secretary Sir Robert Armstrong.

Bolivian unrest Bolivian right-wingers occupied provincial government offices, 11 days before general and presidential elections.

Rebel isle talks New Hebridean Government officials and secessionist leaders on Espiritu Santo will meet today for peace talks as Britain and France hold talks in Paris.

Iran 'coup plot' Iranian newspaper disclosed details of what it said was a plot to overthrow President Bani-Sadr.

Exodus warning Business leaders in Zimbabwe warned that Government policies could spark a mass exodus of whites.

VIPs searched VIPs entering the Royal Enclosure at Ascot races were searched after a hoax bomb threat. The scare was over before the Queen arrived.

Nuclear protest Two men protesting against unloading of nuclear waste from Japan were cut free by police after chaining themselves to a floating crane at Barrow-in-Furness docks.

Executive pay British managers are still less well paid than executives abroad, despite higher salaries and the strength of sterling, says a survey.

Death inquiry British coroner is to investigate the death of nurse Helen Smith in Saudi Arabia.

Speech dropped Militant Gaullist protests prompted French President Giscard d'Estaing to drop plans to speak at a wartime memorial on the fortieth anniversary of General de Gaulle's call for French resistance.

Docherty to stay Tommy Docherty will remain manager of Queens Park Rangers despite facing perjury charges, the club said.

Wine fraud Two businessmen who put false labels on cheap wine to pass it off as high quality Chablis received suspended sentences at the Old Bailey.

Easel money Painting by Giuseppe Pellizza, bought for "next-to-nothing" and identified after a television programme, was sold for £165,000 at Sotheby's, Saleroom.

England win England beat Spain 2-1 in the European soccer championship.

CHIEF PRICE CHANGES YESTERDAY

Table with 2 columns: Item, Price Change. Includes Treasury 12pc 1984, Exch. 10pc 1980, Akroyd & Smithers, Alpine Soft Drinks, Anglia TV 'A', BA's Deld., Boots, Brownlee, Cater Ryder, Emess Lighting, Gratton Warehouses, GUS 'A', GKN, Hagelwood Foods, Kleinwort Benson, Lester, Minister Assets, Pilkington, Quest Auto, Sharps Ware.

Wages must rise less than prices, Bank experts say

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

WAGE INCREASES will have to be much lower than price rises for a while, possibly by more than 5 percentage points, if the rate of price inflation is to slow significantly, the Bank of England argues in its quarterly bulletin.

Fewer candidates seek membership of Lloyd's

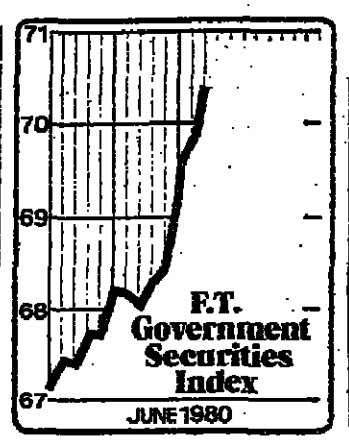
BY JOHN MOORE

THE PROBLEM of Lloyd's London, the insurance market backed by private capital, have brought a sharp reduction in the number of people seeking membership.

Fraser likely to beat Lonrho

BY CHRISTINE MOIR

Lonrho, the international trading group headed by Mr. Tiny Rowland, seems certain to lose its midday battle at the House of Fraser annual meeting in Glasgow to impose four of its own directors on the board of the store group and force a higher dividend.



Gilt-edged stocks up once more

By Our Economics Correspondent

PRICES of gilt-edged stocks rose sharply yesterday for the fifth trading day running in response to renewed speculation about an early cut in Minimum Lending Rate.

Tesco announces £1.1m profit drop to £36.5m

BY JOHN MAXIMSON

TESCO, the supermarket chain which three years ago launched a High Street price war, is suffering the consequences of rapid growth and diversification into non-food products.

South Africa fears spread of violence

BY QUENTIN PEEL IN JOHANNESBURG

FEARS of countrywide unrest in South Africa on the scale of the 1976 Soweto riots rose yesterday with a renewed outbreak of violence in Cape Town.

Contents

Table with 2 columns: Section, Page. Includes Japanese election, Economic viewpoint, West Germany, Marketing, Business and the Courts, Lombard, Editorial comment, Middle East, Survey, World Trade News, Annual Statement, Brimcom Estate, Jardine Matheson, Societe Reunies, Sund & S. Shields, PROSPECTUS, Harcourt, C&G Morgan & Co.

Advertisement for Weavercraft Mills South Bradford West Yorkshire. Features a large image of a warehouse and text: 'Industrial/Warehouse Units from 11,000 to 656,000 sq. ft. TO BE LET'. Includes contact information for Knight Frank & Rutley and Stewart Neilson.

EUROPEAN NEWS

IMF calls on banks to step up lending to Turkey

BY DAVID TONGE

THE improvement of Turkey's external payments position can only be gradual and for several years the country will need large international support, according to the International Monetary Fund. Its latest report on the Turkish economy paints a grim picture of a country struggling with inflation and with debt arrears which have continued to mount and now stand at around \$2.6bn.

The burden of servicing Turkey's \$16bn debt is liable to increase sharply over the first half of the 1980s, it says. Already the ratio of accrued debt service payments to exports, plus workers' remittances, is 53 per cent. This is about three times the ratio considered healthy by many banks, but the report stresses "it is important that foreign commercial banks should substantially increase

their lending to Turkey in order to ensure that the large payments on medium- and long-term debt to banks do not lead to any net drain on Turkey's scarce resources."

The IMF praises as "tight and determined" the series of measures with which the Turkish Government is seeking to tackle the situation. This is one of the reasons why the IMF staff say they support Turkey being given a three-year stand-by agreement of SDR 1.25bn (\$1.65bn).

The other reasons are "the exceptionally difficult economic situation in which the country finds itself" and "the fact that the resources otherwise available to Turkey are likely to be inadequate, despite the considerable efforts of many countries to extend aid to Turkey and to alleviate its debt service burden in the next few years."

The report, which is marked confidential, has been distributed to the Western Governments who have been meeting this week in Paris within the aegis of the OECD to discuss re-scheduling up to \$3bn of Turkey's debt. This is the share of official and Government-guaranteed debt falling due in the next three years. The OECD meeting, which is due to end today, has been complicated by Turkey's failure to make payments on debt which has already been re-scheduled within the framework of the OECD.

Since January, Mr. Turgut Ozal, the Under Secretary to the Turkish Prime Minister responsible for co-ordinating economic affairs, has carried through a series of major measures designed to liberalise the economy.

The Fund's report "welcomed the thrust of the general philosophy behind the entire package of measures... and considered that firm adherence to this philosophy would greatly strengthen the Turkish economy." It is particularly in favour of recent government measures to free the interest rates set by local banks.

However, the report warns that the minority Government of Mr. Suleyman Demirel has a long struggle ahead of it. Last year GDP grew by less than 1 per cent, inflation on an annual average basis reached 65 per cent and overall unemployment was roughly 15 per cent of the domestic labour force.

This year, the reports says, the shortage of oil has ceased to be a major constraint on industry and energy production. Output has increased, reducing the degree to which scarcity is driving up prices. But it says

that the Government may still be under-estimating inflationary forces and indicates that there could be considerable pressure from wage increases following the new round of collective bargaining which will shortly affect about 60 per cent of the workers in the state economic enterprises.

It hopes to reduce the net borrowing requirement of the public sector from 8 per cent of GNP in 1979 to just over half this in 1980. However, the balance of payments is expected to remain a problem. The Turkish Government expects imports to reach \$7.6bn. This is equivalent to the volume of imports made in 1978, but the IMF says that, even assuming successful debt rescheduling and sizeable new bank lending, Turkey may be unable to finance imports much above \$7bn.



Mr. Ozal: series of liberalising measures

Go-ahead expected for \$1.65bn credit

THE BOARD of the International Monetary Fund was yesterday expected to approve a SDR 1.25bn (\$1.65bn) stand-by credit for Turkey, writes David Tonge. The agreement would be over three years and would be an important boost for Turkey as it seeks to reschedule up to \$3bn of its \$16bn debt with Western governments in Paris this week.

The amount involved is equivalent to 62.5 per cent of Turkey's quota at the IMF and, together with the country's present borrowing, represents the largest share of quota that the IMF has ever lent to any nation.

Turkey's drawings on the IMF at the end of May were equivalent to 43.7 per cent of its quota. Allowing for a

heavy schedule of repayments to the IMF, Turkey's drawings could reach 870 per cent of quota—almost twice the limits which the IMF would set. Third World countries have long been pressing the IMF to increase the amounts it lends. Since a meeting in Jamaica in May, 1976, the Fund has been prepared to increase its lending "in special circumstances." This meant the IMF was prepared to consider lending up to 480 per cent of quota.

Until early this year, Jamaica, with 460 per cent of quota, was in relative terms the main beneficiary. It has since been exceeded by the Philippines and South Korea.

The loan discussed yesterday for Turkey would far exceed all the precedents.

FRANCO-SPANISH RIVALRY

Border blockaded in produce war

BY ROBERT GRAHAM IN MADRID

THE BITTER conflict between farmers in southern France and Spanish exporters over the entry of Spanish produce into France threatened to paralyse all border traffic between the two countries yesterday.

Diplomatic efforts failed to persuade Spanish lorry drivers to remove road-blocks at La Junquera, north of Girona, and also failed to obtain promises from French farmers to permit the peaceful passage of Spanish goods.

Hundreds of lorries were used to block routes at La Junquera. Earlier the Spanish drivers had permitted traffic leaving for France to pass but had halted all incoming French-licensed vehicles.

French farmers blocked the

road on their side of the frontier and threatened to attack all incoming trucks carrying Spanish produce.

On both sides there were threats to extend the blockade to the other main transit point at Irun in the Basque country. French and Spanish riot police have been brought up on their respective sides of the frontier but so far neither force has intervened.

The long-simmering conflict over the transit of Spanish agricultural produce exploded on Monday when French farmers attacked and burned nine Spanish lorries. One was in fact, carrying typewriters. A train carrying cherries, apricots and peaches was reported to have been attacked near

Tarascon. Spanish lorry drivers protested by blocking part of the main road to France at La Junquera. After a meeting on Tuesday night the drivers decided to impose a total blockade.

Spanish officials said that a resolution of the conflict was being made more difficult because of recent declarations from President Valery Giscard d'Estaing of France on Common Market negotiations for new members. His statement that there should be a pause to iron out existing problems within the Community had made him a hostage to the aggressive southern French farming lobby.

In Madrid it is felt that it will be difficult for the French President to deal firmly with the

farmers because he will need their votes in next year's presidential elections.

Spanish producers said yesterday that the French farmers were seeking to retain high prices for their own fruit and vegetables in the face of an exceptionally good year which threatened to push down market prices.

But the Spanish also complain of an extended guerrilla campaign against the transit of their agricultural produce. They say the French authorities have done little to stop it. Senor Julio de Miguel, president of the Spanish citrus exporters, said there had been 150 incidents in the past two years, mainly involving the sabotage of cargoes.

£750m trade deficit for France

By David White in Paris

France's foreign trade performance, which has been declining since the beginning of the year, slipped dramatically last month when the seasonally-adjusted deficit reached an all-time record of FF 7,237m (£750m).

This brought the total shortfall for the first five months of the year to FF 24bn compared with just over FF 10bn for the whole of 1979. In the first five months of last year, France's trade was still FF 627m in surplus.

M. Jean-François Deniau, Trade Minister, said that the figures could not be taken at face value because of numerous public holidays and days off during the month, which led to an exceptionally low level of export production. There were only 17 days worked and, counting strikes, activity was only three-quarters of what it was in May last year.

Carter's tour underlines NATO concern over southern Europe

BY RUPERT CORNWELL IN ROME

PRESIDENT CARTER today begins a two-day state visit to Italy on the first leg of a week-long trip to southern Europe centred around this weekend's summit in Venice of the West's seven leading industrial powers.

In many respects the purely Italian part of his talks will form a prelude to Venice at which both nations will be participating. However, they are likely to have considerable significance, both in terms of Atlantic relations and of U.S. electoral politics.

That the U.S. President has chosen to combine the Venice meeting with trips to other

southern European countries—Spain, Portugal and Yugoslavia—is an indication of the great importance the Mediterranean area is assuming for NATO planners.

The enduring Greco-Turkish feud, moreover, has emphasised Italy's key role in helping secure the southern flank of the alliance, and also the potential (if contested) importance deriving from its strategic proximity to the Middle East. That this aspect will figure largely in the discussion is underlined by the presence in the U.S. delegation not only of Mr. Edmund Muskie, the Secretary of State, but of Mr. Zbigniew Brzezinski, the National Security Adviser.

During his stay in Rome, Mr. Carter will hold talks with President Sandro Pertini and Sig. Francesco Cossiga, the Prime Minister, before having an audience with the Pope. All are events which might favourably influence the Catholic and Italy-American voters at this autumn's U.S. Presidential elections.

Bilateral relations between Italy, even among the most ardent of the EEC members, and the U.S. are generally good. However, sensitive issues do exist, including the supply of U.S. engines to power frigates which Italy hopes to sell to Iraq as part of a large military supply deal.

De Gaulle anniversary prompts bitter rows

BY ROBERT MAUTHNER IN PARIS

THE FORTIETH anniversary celebrations of General Charles de Gaulle's famous call from London on June 18, 1940, for French resistance against Nazi Germany were marred yesterday by a bitter row between the Gaullists and the Government.

Gaullist MPs walked out of the National Assembly on Tuesday after M. Pierre Messmer, a former Prime Minister, had protested strongly against what he considered an insult to Gen. de Gaulle's memory made by M. Jacques Dominati, the junior Minister responsible for former French settlers in Algeria.

The Gaullists objected to the presence of the Minister at a ceremony in the southern French naval port of Toulon last weekend to commemorate French victims of the Algerian war of independence at which tribute was paid to the extremist Secret Army Organisation (OAS).

M. Messmer claimed that M. Dominati had participated at the inauguration of a monument to an OAS commando leader who was executed in 1962 for an assassination attempt on Gen. de Gaulle. The Gaullist MPs stormed out of the Assembly after M. Raymond Barre, the Prime Minister, refused to give

an immediate answer to M. Messmer. They said they would boycott Parliament until M. Barre explained the Government's position. The Prime Minister later said that he would reply today.

The clash was compounded by another emotional row over the commemoration of Gen. de Gaulle's 1940 resistance call, which led President Giscard d'Estaing to cancel his plans to speak at the National Resistance Memorial at Mont Valerien in the western suburbs of Paris.

The president was due to make a short speech after presenting the Grand Cross of the Legion of Honour to M.

Geoffroy de Courcel, Gen. de Gaulle's chief aide after his arrival in London and later France's ambassador to Britain. But the Gaullists and members of the wartime resistance movement said they were shocked that anyone should want to speak at a place of silent homage.

The two incidents are an indication not only of the intense feelings the memory of Gen. de Gaulle and the Algerian war can still stir in France, but of the Gaullists' intention to undermine the President and Government on every possible occasion before next spring's presidential election.

Senior Yugoslav leader taken ill

BY ALEKSANDAR LEBL IN BELGRADE

MR. VLADIMIR BAKARIC, the 68-year-old Croatian leader who was one of President Tito's closest collaborators and who is a leading member of both the collective state and party presidiums, has been taken ill. He has been admitted to the Ljubljana clinic where President Tito was treated during his final illness.

Apart from his state and party functions, Mr. Bakaric is also president of the Council for the Defence of the Constitutional Order, the top level co-ordinating body for internal and external security matters. He is widely considered one of the most open and liberal-minded

members of the inner circle of former partisans who had constant access to President Tito. He helped push the party in Croatia after the so-called "nationalist" emphasis in 1971, but was one of those who argued in favour of the greater devolution of powers which has helped to ease national tensions.

Mr. Bakaric has suffered ill health for several years. But he, like other members of the collective leadership, came under great strain during President Tito's lengthy illness. At the funeral he stooped heavily and appeared physically exhausted.

Meanwhile a Zagreb court has

just handed down tough prison sentences ranging from five to 15 years on a group of seven Croat extremists. They were convicted on charges of subversive activities, formation of an armed group and planning to kill leading personalities, and commit acts of sabotage. A group of Albanian nationalists were also sentenced to lengthy prison sentences last week in the autonomous province of Kosovo.

The sentences reflect the authorities' determination to crack down on any movement which they perceive as potentially dangerous to Yugoslav unity and independence.

Howell urges wider world recognition of OPEC

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE WORLD should recognise the Organisation of Petroleum Exporting Countries as a "positive and stabilising force in world oil markets" and work with it in this spirit, Mr. David Howell, the Energy Secretary, said yesterday.

He told a Financial Times conference at Grosvenor House, entitled the European Offshore in the 1980s, that this attitude to OPEC would mark an important change from the incomprehension and hostility with which the organisation was viewed in the mid-1970s.

"We now look to OPEC to play a part on the world stage as a force for stability."

On the North Sea, Mr. Howell said that the Government was well aware of the importance of maintaining confidence in exploration. He believed the announcement of a seventh round of offshore licensing and other measures designed to encourage exploration, together with steep price increases in crude, had resulted in a new air of confidence on the exploration scene.

Mr. Knut Dæhlin, director-general at the Norwegian Ministry of Petroleum and Energy, said that Norway assumed, on the basis of estimates of recoverable reserves south of the 62nd parallel, that a production level of 70m tonnes of oil equivalent a year could

be reached in the late 1980s, rising to 90m in the 1990s.

A production level of 70m or 80m tonnes would require investment in field installations of about Nkr 6bn to Nkr 10bn a year at 1979 prices. By comparison, investment by Norwegian manufacturing industry was Nkr 7.8bn in 1978.

On exploration drilling, the large gas find in Block 31/2 by a group led by Norske Shell probably contained reserves several times bigger than the Frigg Field.

Mr. George Williams, director-general of the UK Offshore Operators' Association, said that there was a "very urgent need" at least to double perhaps treble the exploration rate on the UK Continental Shelf to ensure that Britain maintained self-sufficiency into the next century.

The Government should therefore be more generous in its licensing. It had increased its intended seventh round allocation from 70 to 80 blocks, but had not gone far enough.

The industry was anxious to get a stable tax system. There had been four changes in the rate of Petroleum Revenue Tax in the past 10 months.

Mr. Ray Daffer, Energy Editor of the Financial Times, hoped that Mr. Howell would not only opt for a flexible approach to depletion, but encourage companies to push ahead development projects as quickly as possible.

He said that the "technological challenge" of the North Sea had been underestimated in the past, and that as a result there had been delays and frustrations in virtually every development project.

"We cannot afford the luxury of any depletion policy that is based on surprise-free production assumptions."

Mr. Lars Thulin, general manager of Den Norske-Creditbank, said that Norway produced about five times her domestic consumption of hydrocarbons, and was entering a period when revenues from oil would be so large that some accumulated capital would have to be exported.

Mr. Ted White, director of Petroleum Economics, said that the object of Government policy should be to develop a mechanism to enable Britain to become a much greater energy exporter than present policies.

Mr. Ian Clark, an executive member of the board of the British National Oil Corporation, said that BNOC had been approached by many of the largest names in the oil world with a view to partnerships in the seventh round of licensing. This endorsed BNOC's own assessment of the corporation's strength.

FINANCIAL TIMES
THE EUROPEAN OFFSHORE
CONFERENCE

Answering the question "Where are the best prospects for the future?" Dr. D. R. Whitbread, from Oxford University Department of Geology and Mineralogy, said that Norway north of the 62nd parallel was certainly the greatest and most tempting, virtually untouched exploration area in North-West Europe.

Last year's Department of Energy Brown Book had quoted a range of ultimately recoverable UK oil from 18bn-33bn barrels, of which some 15bn were reasonably assured.

His own feeling was that the higher figure was well within the bounds of possibility, and with luck perhaps as much as 40bn barrels of oil would ultimately be recoverable.

This presupposed that a few giants remained to be discovered.

Dr. G. Rowan, British Petroleum's manager for advanced recovery technology exploration and production, said that for the near and medium term he would expect to see water and gas injection as the main recovery methods for existing reservoirs.

There were certainly smaller reservoirs and depleted reservoirs where some enhanced recovery methods would be used effectively, but for larger reservoirs one should expect to see present methods used for years to come.

Mr. Magne Reed, managing director of DYVI Offshore A/S, said that utilisation rate for all types of rigs was now almost 100 per cent. But he saw skilled offshore labour as a problem ahead for mobile drilling rigs. It could become a limiting factor on expansion.

Mr. Bendt Rasmussen, managing owner of Viking Supply Ships, said that the depressed market of the last three or four years had had a crippling effect on many supply vessel companies, though the position was now improving.



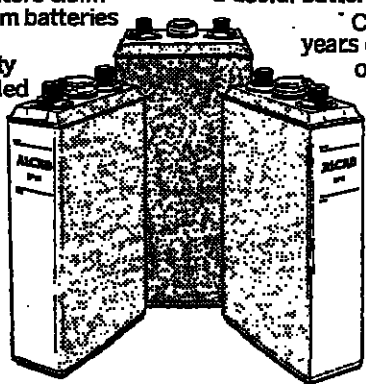
At the Grosvenor House European Offshore Oil conference: (l to r) Mr. A. V. Harb, ET chairman and chief executive; Mr. Knut Dæhlin, director-general, Negotiating Department, Norwegian Ministry of Petroleum and Energy; Mr. David Howell, the Energy Secretary.

The only nickel cadmium battery with a cast iron guarantee.

No, it's not a contradiction in terms. It's a hard fact. While our competitors claim long life, only Alcad nickel cadmium batteries guarantee it.

A unique ten year warranty covers stationary batteries installed in the United Kingdom, against manufacturing defects, unconditionally for twelve months and thereafter on a generous percentage rebate exchange basis.

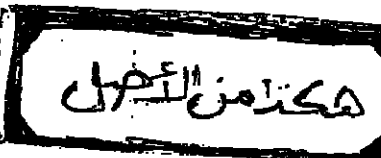
Of course, all Alcad batteries have long life built in. So, with reasonable care and the after-sales back-up of Britain's only manufacturer of vented



CHLORIDE
ALCAD
Nickel Cadmium Batteries

for life

Chloride Alcad Limited, Union Street, Redditch, Worcs. Tel: Redditch 62351



ATTITUDES TO THE EEC

The public mood hardens in West Germany

BY JONATHAN CARR IN BONN

ARE THE West Germans becoming sick and tired of the European Community? It would be easy to draw this conclusion from statements by some senior politicians in the wake of the compromise (and possibly not permanent) settlement of Britain's EEC budget dispute.

One powerful member of the ruling Social Democratic Party (SPD), hawking the additional sum Bonn would have to pay to Brussels, declared that West Germany was not a cow which could be milked at will. A senior member of the liberal Free Democrats (FDP), junior partner in the Bonn coalition, suggested that the EEC might be losing its attraction for Germans since most reports about it stressed differences between the member states, budget problems and butter mountains.

Had these comments been made in Britain, they would probably have been regarded by many as self-evident. But in West Germany, one half of a divided country which has long seen European unity as a mission as well as an economically desirable goal, they give cause for pause. So do the results of opinion polls which indicate that few Germans can recall the date of the first election last year to the European Parliament—although at the time, the number of those who voted was relatively high.

West German officials questioned about their attitude to Europe insist that their dedication to the Community ideal is as strong as ever, but that there is an urgent need

Europe is a good campaign theme for October's general election, not just as an ideal as in the past, but as a matter which has a direct impact on people's pockets.

for reform, above all in the farm sector which consumes more than 70 per cent of the EEC budget. The need for change, however, has long been recognised.

A report prepared by West German farm experts on reform of the common agriculture policy (CAP) has been gathering dust for six years now, although some of its suggestions are very similar to part of the FDP's election programme just approved in Freiburg.

Documents drawn up by the Bonn Economics Ministry for years past have drawn attention to the problems of enlargement, not simply for the present members but for the new ones. Yet, until recently, the kind of difficulties to which they drew attention were briefly noted, then dismissed on the grounds that enlargement was a political necessity.

The difference now is that Europe is a good campaign theme for the general election of October 5, not just as an

Already the phrase "Thatcher pfeffernigs" is going the rounds, implying that the settlement Britain has reached with the EEC means Germans must pay more for petrol and a bottle of schnapps.

that it cannot pay the bill for its share of the EEC settlement. It therefore demands that the Laender give up to Bonn a higher proportion of value added tax receipts than they are doing under present arrangements. If they do not, warns Bonn, then taxes on petrol and spirits will have to be raised from next year.

The Laender are furious, claiming that Bonn has lost its room for financial manoeuvre because of spendthrift policies. But if taxes do go up it is likely that not only Bonn and the Laender will be blamed.

Already the phrase "Thatcher pfeffernigs" is going the rounds, implying that the settlement which the British Prime Minister has reached with the EEC will mean Germans having to pay more for a litre of petrol and a bottle of schnapps.

Chancellor Helmut Schmidt has already caught the mood well enough—indeed he may be helping to create the mood. His comment in the Bundestag on Tuesday, that he had made very clear to other EEC leaders that there were limits to the amounts which Bonn could pay was particularly enthusiastically applauded.

Likewise, there has been comments about his recent remark that he planned to work for change in EEC finances with the same stubbornness which Mrs. Thatcher showed over the British problem. A few years ago a West German Chancellor might have suggested that, but he could hardly have carried it out, for reasons of history among other things. Now it seems more likely than not that Herr Schmidt will be stubborn—and the public mood will be with him.

The West German suggestion that a ceiling be imposed on the net sums which member states can receive from the EEC as well as on net contributions made to it, fits well into this context. The West Germans are not insisting on it at present, simply raising it as a course to be followed if other possible solutions fail.

Community bid to curb waste

Financial Times Reporter

RING-TOP cans and non-returnable bottles could be banned throughout the EEC if a new European Commission directive is passed. The directive, which was discussed at a London conference on waste management organised by the Commission, would also force distributors to accept empty, returnable drink containers.

Individual countries of the EEC appear to agree on the principal aims of the draft directive. But they disagree on the best way to implement the legislation, and on its possible consequences for inter-Community trade and industry in general.

M. Michel Carpentier, director general of the EEC's Environment and Consumer Protection Department, told the conference that the draft has a good chance of being approved next year by the Council of Ministers. He stressed, however, that many changes and modifications will probably be made to the draft before it is submitted to the Council by October at the earliest.

The Commission is also trying to introduce rules on the recovery and re-use of waste paper and board. This initiative takes the form of a recommendation—a non-compulsory instrument of the Commission—which is already being discussed by the Council.

Luxembourg, which holds the presidency of the Council during the second half of this year, is expected to push for acceptance of this document in December.

Shortages hit Polish incomes

By Christopher Bobinski in Warsaw

POLISH WORKERS' incomes are being hit by production stoppages caused by shortages of raw materials and components. This has emerged as the main topic of discussion at official trade union meetings held throughout industry this year, according to the economic weekly *Gazeta Gospodarcza*.

The shortages are largely the result of import restrictions, which are intended to bring Poland's foreign trade into surplus this year and which are caused by the problems of servicing the country's \$15bn hard currency debt.

When shortages halt production in factories workers receive only their basic wage. They lose out on piece work rates and productivity bonuses which make up the major part of their incomes. Furthermore, the fact that workers are being paid while machines stand idle means that the chronic imbalance between the growth in production and wages is worsening.

Over the first five months of this year the value of industrial production rose by 7.5 per cent compared with a year earlier; wages over the same period increased by 13.3 per cent. The union meetings have also criticised poor organisation and the waste of raw materials in industry as contributing to the shortages.

Labour discipline is being affected, too, union speakers say. Last year the average worker spent 214 hours away from work, apart from holidays, either on sick leave or simply absent. In the first quarter of this year sick leave increased 5 per cent and absenteeism 6.6 per cent on the same period in 1979.

Why Cape Town protests turned to violence

BY QUENTIN PEEL IN JOHANNESBURG

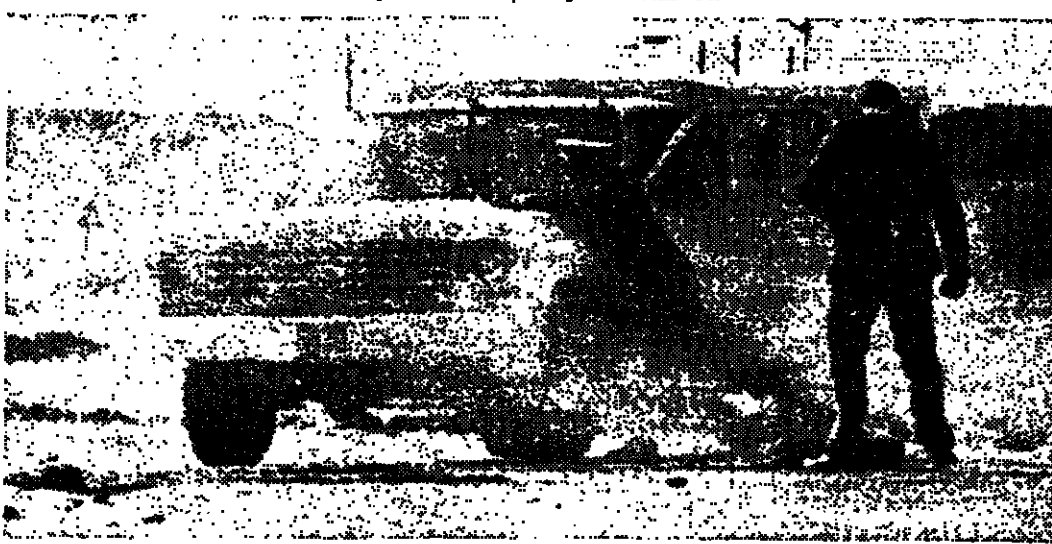
THE EXPLOSION of violence in the coloured (mixed race) townships of Cape Town, which claimed at least 36 dead on Tuesday night, is the culmination of weeks of growing tension in what is at any time a violent and frustrated community.

Yet until the outbreak of rioting, looting and arson, which was met by volleys of police fire, a campaign of concerted community action against poor schools, higher prices and bad wages had been remarkably well disciplined. The campaign underlined the profound alienation of the coloured community in white-ruled South Africa, and the growing politicisation of a traditionally subservient community.

A clear picture of Tuesday night's carnage is emerging slowly, partly because journalists were banned from the sprawling Cape Flats area by police. There is, however, little doubt that what had up till then been a political protest was used by looters and criminals to precipitate a confrontation with the police.

It is still impossible to say how much of the looting was deliberate, how much was a gesture of the anger of the coloured community, and how much was a response to the police action. There is no doubt that some innocent bystanders were shot, including one two-year-old child.

But the background to the disturbances lies in the school boycott called by pupils in



A South African policeman crouches with a drawn gun at the side of his vehicle while a colleague clears burning rubbish from the roadway in a Cape Town suburb.

protest at their poor facilities, classrooms unrepaired since the last riots of 1976, and lack of textbooks. The action started in April in a handful of secondary schools and spread rapidly to include more than 100,000 children, university students and teacher trainees. Co-ordinated by a committee of 51 representatives from all the institutions involved, the protest was generally well planned and well organised.

The pupils rapidly won support from teachers and parents for their campaign,

which even the Government admitted was justified, and headmasters refused to expel their pupils for refusing to attend class. The townships were flooded with pamphlets calling on students, parents, and workers to unite. "Every student action to be successful, has to be linked up with the struggle of the rest of the oppressed people," leaflets said.

Probably the single most important factor in unifying the community was a huge increase in bus fares, with rises of up to 100 per cent, which precipitated

a bus boycott, not only in the coloured townships, but also in the even more impoverished African locations. At the same time, the new-found militancy also emerged in support of several hundred mainly African workers striking for union recognition in the meat packing industry.

Against that background, calls for a work stoppage to commemorate the fourth anniversary of the outbreak of the Soweto riots on June 16 won overwhelming support, with perhaps three-quarters of Cape

Town's black and coloured workforce staying at home.

The volatility of the coloured community is a result of several factors. The Cape townships boast a crime rate equal to virtually any slum area in the world—the Groote Schuur hospital deals with more stab wounds every night than any other hospital except one in New Orleans. It is said—and a soaring unemployment rate.

At the same time, the coloured community has been offered some of the fruits of loyalty to a white society, such as better housing and better facilities than blacks. But the rising living standard has also raised expectations, while the exclusion of coloureds from any part of the political process—even the half-hearted coloured people's representative council was abolished earlier this year—has meant that they have no channel for airing their grievances.

The difference between the latest upsurge of unrest in the Cape, and the 1976 riots, is that this has happened first in the coloured, not the black community. It is not clear whether there will be sympathy actions in black townships. But some observers believe that the political thinking behind the action is very sophisticated. "These students are arguing in terms of the class struggle, not the vague thoughts of black consciousness," one businessman said. "That could be an ominous development."

Hong Kong trade to U.S. still rising

HONG KONG'S latest trade figures show that the U.S. remains the colony's most important export market. David Dodwell reports from Hong Kong. Exports there for the first four months of 1980 rose to HK\$6.15bn (£582m), 34 per cent up on the same period of 1979.

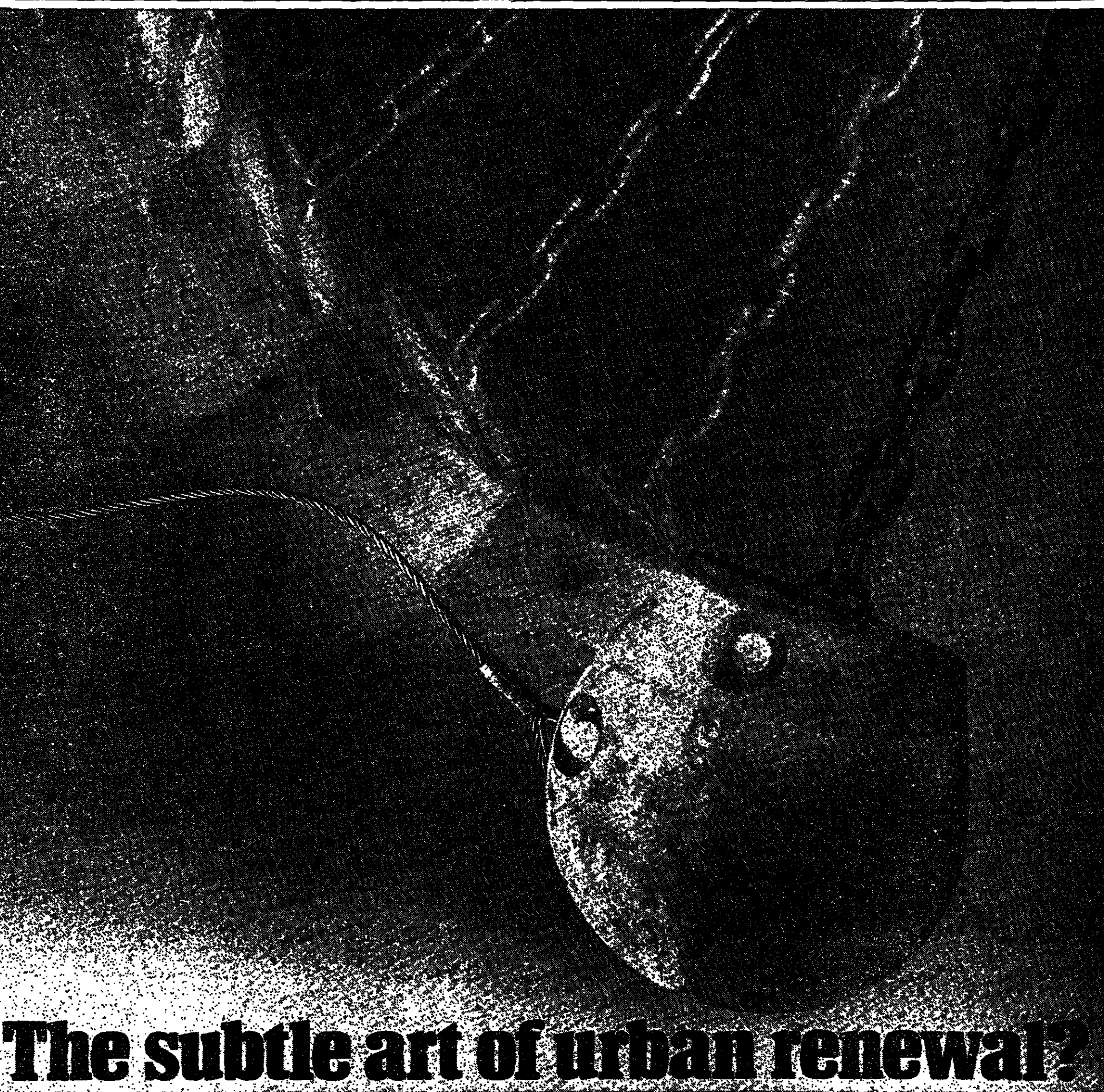
Even accounting for inflation, estimated at 18 per cent for both imports and exports, real growth in exports to the U.S. was at least 16 per cent. Hong Kong officials nevertheless expect the U.S. recession to start affecting trade in the coming months.

Exports to Japan slipped in the period under review, by 10 per cent in value terms to HK\$580m. Exports to Britain were also at a standstill, growing by just 18 per cent in value terms to HK\$1.95bn. Exports to China leapt by more than 40 per cent to HK\$429m.

Malaysian surplus

Higher petroleum prices pushed Malaysia's trade surplus to 2.95bn ringgits (£585m) in 1979 from 1.32bn ringgits in 1978. Tengku Razaleigh Hamzah, Finance Minister, told Parliament yesterday. AP-DJ reports from Kuala Lumpur.

He said the price of oil was expected to rise further this year and petroleum exports could overtake rubber as the main revenue earner for Malaysia this year.



The subtle art of urban renewal?

Creating the right sort of impact in any form of urban renewal calls for special skills on the part of all concerned, from the conception to the completion of any such scheme.

For a construction company especially, the carefully planned rejuvenation of decaying or run-down inner-city areas is always an exciting challenge.

In recent years Taylor Woodrow has been involved in a number of urban renewal projects varying in size from 30 acres at London's St. Katharine's Docks, to the restoration and conversion of the original Central Market building in Covent Garden.

The heart of Manchester, too, saw a comprehensive addition to its amenities completed by us in 1979.

The Arndale Centre, occupying a 13½-acre site, is now the largest enclosed shopping area in Europe.

Manchester apart, it must be said that not all urban renewal is a simple case of replacing the old with the new. At St. Katharine's Docks, near Tower Bridge, great respect was paid to the original basins and buildings.

For example, an 18th century brewery, since re-named Dickens Inn, has been carefully preserved and restored by jacking up its timber skeleton and winching it to a new site 100 yards away.

These are just some of the many skills employed in successful urban renewal. Perhaps Taylor Woodrow could help solve your particular problem in this, from the human angle, very important field.

EXPERIENCE, EXPERTISE AND TEAMWORK, WORLDWIDE

TAYLOR WOODROW

If you would like to know more about us please contact: Ted Page, Taylor Woodrow Construction Limited, Taywood House, 345 Rindip Road, Southall, Middlesex UB1 2QX. Tel. 01-578 2366 Telex 24428 Regional Companies: St Albans Road, Stafford, Staffs. ST16 3DS. Tel. 0785 3261 Lingfield Way, Yarn Road, Darlington, Co. Durham, DL1 4PS. Tel. 0325 62794 Telex 58468 5-6 Park Terrace, Glasgow, G3 6BY. Tel. 041-332 2621 Telex 778498 Or, for Overseas: Don Venus, Taylor Woodrow International Limited, Western House, Western Avenue, London W5 1EU. Tel. 01-977 6641 Telex 23503

OVERSEAS NEWS

David Lennon writes from Tel Aviv on the Israeli Prime Minister and his uncompromising vision of history

Begin's battle with the present to keep the past intact

PROGRESS TOWARDS resolving the key issue of Palestinian autonomy appears to depend more than anything else on the ideology, personality and health of one Israeli, Mr. Menachem Begin, the Prime Minister, and on his ability to keep his shaky coalition in power till the end of 1981.

Egypt halted the talks over a month ago because a year of negotiations on the future of the Israeli-occupied West Bank and Gaza Strip had got next to nowhere. Both Cairo and Washington privately blame the stalemate on the uncompromising Israeli position laid down by Mr. Begin.

It is common to refer to the current Israeli Government as extremist and intransigent and to Mr. Begin as a doctrinaire right-winger, a petty legalist too short-sighted to see the long-term interests of Israel.

Whatever the truth of these charges, they scarcely explain why the Israeli Government is still pursuing a policy which is alienating most of Israel's supporters in the West, threatening the peace moves started by President Anwar Sadat of Egypt and splitting Israeli society.

All his life Mr. Begin has believed in the inalienable historical right of the Jews to the "Land of Israel," to build there a state where the Jews will be freed from centuries of persecution which culminated in the Nazi holocaust.

Even before the Nazis rose to power in Europe, Mr. Begin was active in right-wing Zionist politics in his native Poland, the cradle of so many of the founders and early leaders of

the Jewish community in Palestine and later Israel. After arriving in Palestine in the early 1940s he became commander of the Irgun Zvai Leumi, the Jewish underground army notorious for its spectacular acts of terrorism against the British authorities.

His personality has always been a blend of contradictions. A political romantic yet also a realist, intensely loyal to friends and contemptuous of opponents, an often spellbinding public orator who can be excruciatingly pompous in private conversation, modest in his private life but often arrogant in his public positions. He has evoked something close to worship from his followers while arousing intense dislike among his opponents.

The sense that Israel had to face the horror of the Holocaust defenceless and alone is one of Mr. Begin's most powerful emotions, as it is of so many Israelis. For the Prime Minister, and others, the memory also appears to justify the harsh suppression of the Palestinian resistance in the occupied territories and the merciless raids across Israel's borders in reprisal for Palestinian attacks.

But when Mr. Begin compares the Palestine Liberation Organisation with the Nazis and describes European recognition of Palestinian rights as a sell-out to Arab oil worthy of Munich, many Israelis feel he trivialises the Holocaust and weakens Israel's credibility when it speaks of genuine threats to its security.

Because Mr. Begin wants his people to live in peace and security, he was willing to trade the strategic depth, the modern air-bases and the oil fields of

"Our God given country is a unity. An attempt to dissect it is not only a crime but a blasphemy and an abortion."

Menachem Begin. May 1948, following the announcement of Israel's Provisional Government.

Sinai for a peace agreement with Egypt. He was also ready to abandon Jewish settlements in the desert peninsula. This was "a painful decision" which will remain with Mr. Begin for the rest of his life.

"Look at what he gave up," one of his close aides says. "Is this man hawkish, intransigent?"

The reason, of course, is that Sinai is not the Land of Israel, as the aide explains. "We were in Sinai for military reasons, to prevent our major adversary from threatening Israel. If you can get peace with that neighbour, you do not need that barrier."

But the West Bank is Judea and Samaria. By constant repetition Mr. Begin has made the Biblical names for the territory part of the Israeli lexicon. "Judea and Samaria are not foreign territory. They are part of the Land of Israel. Since it is our country, we believe we have the right to live there."

This is the kernel of Mr. Begin's ideology: the restoration of Jewish sovereignty over all the Land of Israel. Almost 50 years ago, Mr. Begin opposed the creation of the Emirate of Transjordan, now the Hashemite Kingdom of Jordan, from the East Bank of the Jordan. It was Land of Israel. His Herut Party has now tacitly dropped the claim, at least for the present, but will not voluntarily give up any part of the western Land of Israel to anybody.

Reinforcing the historical claim is the understandable fear that to give-up military control of the West Bank is to risk hostile forces within a few miles of Israel's densely populated coastal plain. Mr. Begin rejects a Palestinian state because he believes it would be "a Soviet base and a mortal threat to Israel."

Because of this determination to keep the West Bank under Jewish control, Mr. Begin proposed limited autonomy for the Palestinian inhabitants while at the same time pushing ahead with a programme for settling Jews throughout the area. This establishes a Jewish presence and will make it extremely difficult for successive governments to make a territorial compromise.

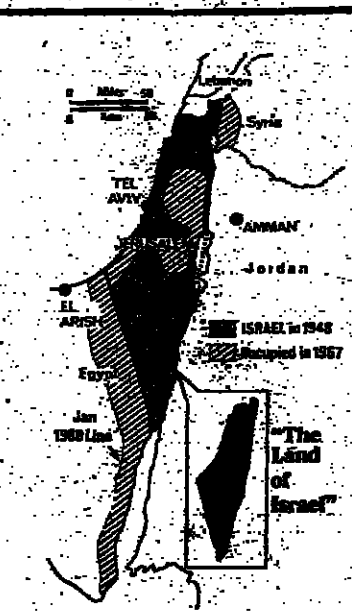
Political circumstance may have prevented him from annexing the territory, as he would have wished, but as his aide puts it, "We have not given up our claim to Judea and Samaria. Israel intends to put forward this claim when negotiations begin on the final status of the territories."

Many people abroad, and not a few Israelis, find the claim to the land on such distant historical ground scarcely tenable. These Israelis believe



MR. MENACHEM BEGIN'S Herut movement regards all the territory of Palestine originally included in the British mandate after World War I as the Land of Israel, or Eretz Israel, promised to the Jews by God. Only in recent years has the Herut

dropped tacitly its claim to "the hills of Meah" or the East Bank of the Jordan, now the Hashemite kingdom. But it will not agree to any further partition of Eretz Israel now defined to include the occupied West Bank and the Gaza Strip.



economy. Otherwise, he gives his ministers a free hand, entering the picture only if they are unable to resolve their disagreements and require him to arbitrate.

But when it comes to the peace negotiations, Mr. Begin is in direct and total control and his eye is fixed firmly on the destiny of his people and the history books. The final decisions are his, and he will force them through the Cabinet and the Knesset using all the political skills which kept him as head of his party through eight election defeats in a row until Herut finally came to power in 1977.

Criticism from Israel or abroad does not really disturb him. Israelis who want a territorial compromise are "misguided minimalists" whom his right-wing will teach the correctness of his path. Foreign critics are at best slaves of Arab oil, at worst anti-Semites.

If the U.S. wants to see a change in Mr. Begin's policy, it may have to emulate President Eisenhower who, in 1956, forced Israel to withdraw from Sinai and Gaza by threatening to withhold economic and political support. Otherwise, it will have to settle for more protracted negotiations in which Israel will go to the limit each time before making a minor, insignificant concession.

As prepared to play for time until new elections, inevitably bringing the Labour Party back to power, then the U.S. had better hope that the new government is strong enough to impose its will on the territorial hardliners whose strength has grown enormously under Mr. Begin.

Indian budget leaves unanswered questions

BY OUR FOREIGN STAFF

THE FIRST full budget of Mrs. Indira Gandhi's new administration was presented to Parliament yesterday but failed to give the long awaited clues to the direction of economic policy.

Mr. R. Venkataram, the Finance Minister announced some new incentives for industrial investment, reflecting the new Government's increased support for the private sector, and relief for income tax payers in the higher bands.

But with only a small increase in taxation and no cuts

in subsidies and welfare payments which have been swelling public expenditure, it was not clear how Mrs. Gandhi's administration proposed to finance its planned capital programme for removing bottlenecks in the power, rail and coal sectors.

Annual development expenditure has been raised by 16.6 per cent as against last year, which with inflation running at 20 per cent means a cut in real terms.

Particularly surprising was that the Government has ducked its expected decisions to

raise oil prices both as a measure of conservation and to increase revenues.

In fact, comment in New Delhi yesterday concentrated on the popular aspects of the budget—the avoidance of any significant increase in taxation and the relief granted the corporate sector. But the failure to find new sources of revenue or to prune expenditure has left a large and potentially inflationary budget deficit of 14bn Rupees (£763m).

Concessions in indirect taxation reversed the levies on industry imposed by the Janata

Finance Minister, Mr. Charan Singh, last year.

Additionally a tax holiday and higher depreciation has been allowed to stimulate capital investment. There are incentives for higher savings.

The popular budget imposes an additional taxation effort of only Rs 2.8bn.

Among announcements made by the Minister was the initiation of a national rural employment programme and the establishment of an export-import bank to improve the country's deteriorating balance of payments.

Syria and PLO urge tougher Arab line

BY ISHAM HIJAZI IN BEIRUT

SYRIA AND the Palestine Liberation Organisation are hoping to replace the present Arab strategy in the Middle East with a tougher policy towards Israel, Egypt and the U.S.

A statement issued after a conference in Damascus on Tuesday between President Hafez al Assad and Mr. Yasser Arafat, chairman of the PLO, said they would submit a joint working paper on the matter to the next Arab summit conference.

Arab Foreign Ministers are to meet in Amman next month to prepare for the

summit, which is due to be held in the Jordanian capital in November.

At Tuesday's meeting, Mr. Arafat was accompanied by Palestinian guerrilla leaders, including Dr. George Habash of the Popular Front for the Liberation of Palestine and Nayef Hawatme of the Democratic Front for the Liberation of Palestine.

Syria and the Palestinians agreed that there was a need to introduce basic changes in the prevailing Arab strategy. The statement criticised the

declaration on the Middle East issued by European Community leaders after their meeting in Venice last week and said that it provided a cosmetic cover for the U.S.-sponsored Camp David agreements between Egypt and Israel.

A few days ago, Mr. Abdel Halim Khaddam, Syria's Foreign Minister, told Parliament in Damascus that the Government would be introducing basic changes in its Middle East policy. He said the shift would be approved soon at a congress of the ruling Ba'ath Party.

Mr. Khaddam hinted that

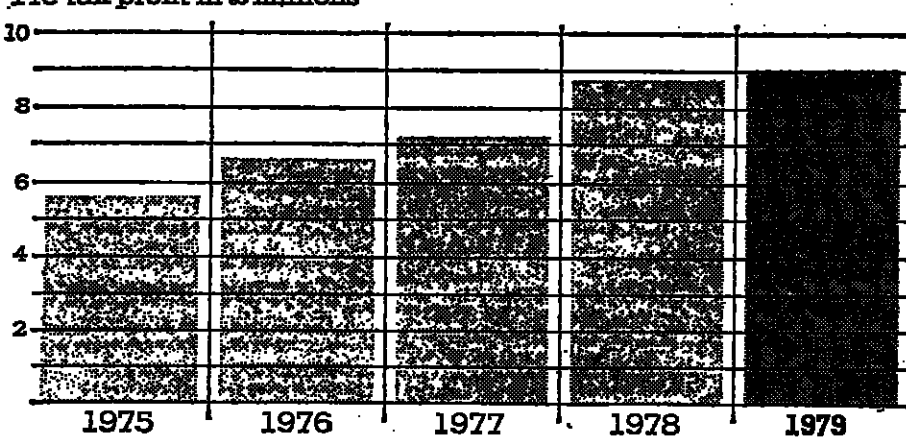
Syria might abandon the principle of peaceful settlement of the Arab-Israeli conflict altogether. "Such a settlement is not possible under prevailing conditions," he said.

In a lengthy interview published in the Beirut daily newspaper As Safr this week, Mr. Khaddam added that his country was determined to establish a military and strategic balance with Israel. It would define its future relations with Arab Governments on the basis of this objective.

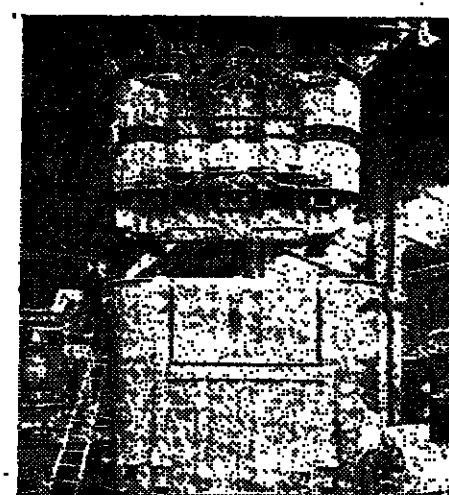
We wrap biscuits in Canada make transformers for Malaysia cover Britain's floors with Flotex and help travellers see the world.

For many years the policy of Low & Bonar has been to create a strong group by developing a broad base. Thanks to diversification and highly successful acquisitions, Low & Bonar is today a £157 million group with operating companies as far apart as Canada and Australia.

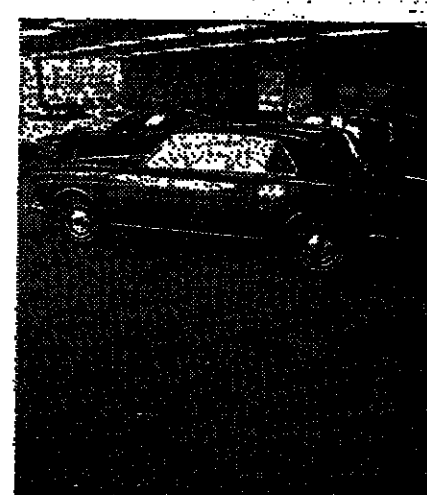
Pre-tax profit in £ millions



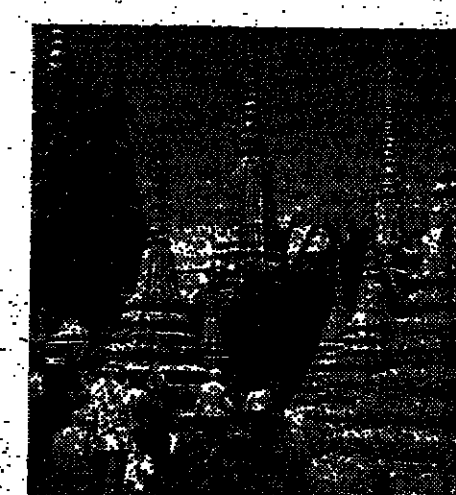
PACKAGING We manufacture paper, polythene and textile sacks. Our food wrappers, cartons and bags are found in supermarkets throughout Britain and Canada. Our films protect goods in transit. And we supply machinery complementary to our extensive range of packaging products.



ENGINEERING High technology plays an important role in many of our operations embracing metallurgical, mechanical, instrument and electrical skills. Nuclear research establishments and communications networks use our electronic control equipment. Our specially developed alloys and valves serve many demanding industries. And our transformers and switchgear provide a vital link in electrical supply systems worldwide.



TEXTILES We have units in Britain, Africa and Belgium producing a wide spectrum of items ranging from tents to ties. Plus, of course, the now famous Flotex carpeting which in a short time has become a leading floor-covering for commercial, industrial and health establishments.



TRAVEL Our 45 offices in the UK act principally as retail travel agencies, helping people to visit all corners of the world. But we also cater for the needs of specialist touring groups.

If you would like to know more about Low & Bonar please contact the secretary for a copy of our latest report and accounts.

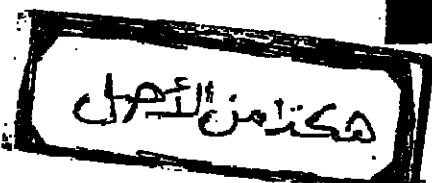


Low & Bonar

63 King Street, Dundee, Scotland DD1 9JA

Strength from a broad base

Telephone: Dundee 241111 Telex: 76103





The new £4,100 Alfa Romeo.

Alfa Romeo's new 4 door Alfesud 1.3 & 1.5

For an eminently sensible four door family car which gives 42.2mpg at 56mph, our new £4,100 Alfesud 1.3 is something of a flier.

It'll do a genuine 100mph. Get to 60 in under 13 seconds. Hold the road better than virtually any other smaller car.

And its big brother, the new 1.5, is slightly quicker, almost as economical, and costs £4,300.

What else?

Five speeds. Front wheel drive. More head, leg and boot room than any other car in its class. Space for skis, fishing rods or other unlikely objects inside the car.

And an aftercare package which includes unlimited mileage guarantee, 2 years free routine

service parts, free recovery and car hire should you need it—a really thorough anti-corrosion programme which includes the plating of vital parts in pure zinc.

Go round to your local Alfa dealer and test drive the Alfesud for the eighties today.

You'll find him in Yellow Pages.

For more details, write to Alfa Romeo Customer Information, Freepost FT5, Greenford, Middlesex UB6 9BR.

Alfa Romeo



Official Government fuel consumption figures, Alfesud 1.3 (Weber carb): Urban cycle 26.5mpg (10.6L/100km), Constant 56mph (90km/h) 42.2mpg (6.7L/100km), Constant 75mph (120km/h) 32.9mpg (8.6L/100km). Alfesud 1.5 (Weber carb): Urban cycle 25.1mpg (11.3L/100km), Constant 56mph (90km/h) 41.9mpg (6.7L/100km), Constant 75mph (120km/h) 31.2mpg (9.0L/100km). To be confirmed by DOE.

AMERICAN NEWS

Tension clears between U.S. and Jordan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER and King Hussein yesterday wound up their first direct talks for three years with an agreement to disagree on the Palestinian autonomy negotiations, but also an apparent lifting of the tension that has marked U.S.-Jordanian relations since the 1978 Camp David accords.

Mr. Carter did not specifically press the King to abandon his refusal to join the autonomy negotiations with Egypt and Israel. Instead, White House officials described the aim of the two-day meetings to get King Hussein to moderate his criticism of the Camp David accords and to encourage West Bank Arabs to participate soon in the bid to give them self-government.

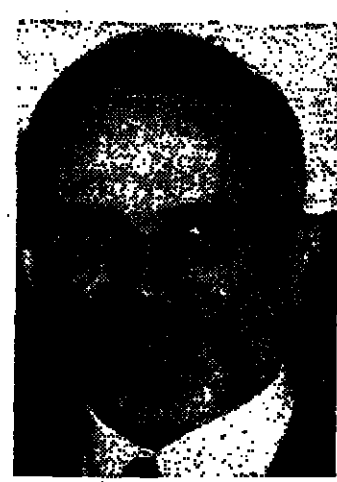
The U.S. President said the talks with the Hashemite monarch had gone "much better" than he had expected, and that Jordan could not avoid playing a central role in Middle East peace-making. The King, accompanied by his American-born wife, told reporters that with Mr. Carter he had "only differences in the approach to solving the problems," not on the goal of a comprehensive settlement.

The King also brushed aside criticism this week from President Anwar Sadat of Egypt, who claimed that King Hussein tried to jump on the Camp David bandwagon in late 1978 "but I did not invite him to participate" because the move was "opportunistic on his part."

King Hussein said he did not take such charges personally. U.S. Administration strategy has been to bolster its peace initiative by large amounts of foreign aid to Egypt and Israel, which together are due to get nearly 70 per cent of a \$4.8bn (\$2bn) foreign aid bill for the fiscal year starting October 1, just passed by the Senate.

An attempt by Senator Adlai Stevenson failed to pare the \$2.1bn aid provision for Israel next year by \$150m, which the Senator estimated was the rough amount which the Begin Government will spend on new settlements in the West Bank. The U.S. has repeatedly condemned the settlement policy, but the Stevenson amendment was heavily voted down by the pro-Israel lobby in the Senate.

The Senate aid bill now has to be reconciled with a more



King Hussein

generous, \$5.2bn version already passed by the House of Representatives. Pro-Israel sentiment on Capitol Hill in this American election year has also surfaced in strong criticism of Saudi Arabia's recent request that the U.S. put extra bomb racks and fuel tanks on F-15 fighters which Washington is shortly to deliver to the Riyadh Government.

This would give the F-15s extra range and a ground attack capability. Leading Senators, like Senator Frank Church, chairman of the Senate Foreign Relations Committee, have claimed that if the Carter Administration acceded to the Saudi request, it would breach an Administration undertaking of 1978. That year Congress approved the controversial sale of 60 F-15s to Saudi Arabia, provided the aircraft had a defensive air role and could not threaten Israel.

Exxon announces strategy for \$500bn synthetic fuels plan

BY DAVID LASCELLES IN NEW YORK

EXXON, the world's largest oil company, yesterday laid out a strategy for developing synthetic fuels in the U.S. involving a \$500bn investment over 30 years by the entire U.S. oil industry. Exxon believes that this could result in production of 15m barrels a day, nearly as much as the country consumes today.

At a news conference in Houston, Exxon also said that about half of this output could come from oil shale, notably the huge oil shale formation underlying the states of Colorado, Utah and Wyoming.

Exxon is now deeply committed to synthetic fuels. It first announced its intention to move into oil shale in a big way last November when Mr. Clifton Garvin, its chairman, said \$3.5bn had been earmarked for the programme. Since then, Exxon has spent \$400m buying

a stake in a large Colorado shale deposit known as the colony project.

Exxon is going ahead even though the politics of oil shale are still far from clear. The company says shale now appears to be "economically competitive with imported oil."

There is intense local opposition to development of the Green River formation because of its likely impact on a large area of unspoiled countryside and farmland, and because oil shale processing requires huge volumes of water in an area which has below average rainfall.

Although the fast-rising price of oil has made oil shale more of an economic proposition, it is still not clear whether the fuel can be produced at a profit, particularly if environmental considerations force the producing companies to extract it

by complicated and expensive means.

Against this, the present Administration's energy policy has resulted in the establishment of a \$300m Synthetic Fuels Corporation charged with the task of promoting production of energy sources like oil shale.

"Oil shale is a form of rock saturated with hardened oil deposits. It is normally extracted by heating the rock and melting out the oil which must then be processed to bring it to the consistency of free-flowing crude."

Provided the economics work out, there is little doubt that the U.S. could produce large amounts of shale oil. Several oil companies like Occidental, Gulf and Amoco have been working on the technology with Government subsidies for years. But actual output is still negligible.

Venezuela to raise price of residual fuel oil

BY KIM FUAD IN CARACAS

VENEZUELA has increased the price of residual fuel oil exports by between 50 cents and \$1.20 per barrel, state oil industry officials said yesterday. "We want to pre-empt stockpiling at low cost in the United States," the officials said, explaining that spot prices for high sulphur residual had risen by \$1 a barrel since Venezuela last increased prices on May 19.

The new prices call for an across-the-board rise of 50 cents per barrel for 1.5 to 2 per cent sulphur and \$1.20 for 2.2 per cent and upwards. This raises the price of 2.8 per cent residual fuel oil to \$22 per barrel.

The industry officials said that there has been a continued demand for residual fuel oil in the U.S. for building stocks, following a poor first quarter in which Venezuela was forced to cut its prices.

Venezuela wanted to share in the rising value of these stocks,

the officials said, explaining that the price move was based on anticipated future increases in the prices of residual fuel oil. Additionally, due to low refinery runs, Venezuelan stocks of fuel oil are rock bottom and the industry is now increasing production to build up stocks for seasonal increases in demand in the second half of the year.

Venezuela is also expected to increase crude oil prices this week, following the new guidelines established by the Organisation of Petroleum Exporting Countries (OPEC) at the beginning of June in Algiers.

The South American producer is expected to bring its light crudes into line with the new \$32 a barrel level for the OPEC market, although there is little leeway at this point for such rises. There is, however, the possibility that Venezuela may apply "premiums" to its lighter crudes.

More offshore leases to be sold

By Our New York Staff

THE U.S. GOVERNMENT has finalised plans to step up sales of federal offshore oil leases as part of its policy to stimulate domestic oil exploration and production. The Interior Department will hold 36 sales between now and 1985, an increase of six on the previous figure.

The programme marks the Government's response to pressure from the oil industry to allow oil explorers greater access to millions of acres of potentially oil-rich continental shelf around the U.S. Much of it lies off Alaska, though oil men are also keen to look more closely at the Atlantic and Pacific coastlines.

The Government is also trying to improve drillers' access to federally-owned land, mostly in the west and Alaska. Government policy generally has run into opposition from environmentalists and other groups concerned about natural life, Indians and the marine world.

China to build DC-9 doors for Douglas

By Ian Hargreaves in New York

McDONNELL DOUGLAS, the U.S. aerospace manufacturer, has signed a contract for China to build landing gear doors for the American company's Super 80 DC-9 jets.

Although the contract, worth around \$2m for the 200 unit order, is insignificant set against total U.S. aerospace exports this year of around \$12bn, the move could herald a breakthrough for McDonnell Douglas into a market where it has not so far had much success, compared with Boeing, which has sold extensively in China.

It is important for McDonnell to improve this state of affairs because of weakening orders for civil airlines in the U.S. and because a recent announcement by the U.S. Government that it would

sell non-lethal military hardware to China opens up the gate for a wide variety of possible deals in the aerospace field. More than half of McDonnell Douglas's sales come from the military field.

McDonnell Douglas has also continued to suffer in export markets from the shadow of last year's crash of a DC-10 near Chicago.

The company clearly hopes that by giving the China Aircraft Company in Shanghai a part in supplying equipment of the DC-9, medium-range jet, it will win access to the growing Chinese market for aircraft of that capacity.

The Canadian state corporation for credit of exports has approved a C\$19.6m credit to Yugoslavia for the purchase of four fire-fighting aeroplanes. The agreement says the four aircraft, the Canadair-built water bomber will be delivered to Yugoslavia during 1987.

AP-DJ reports from Belgrade, Yugoslavia has been having problems fighting fire along its coastal area during the summer, especially inaccessible wooded regions, and previous negotiations for purchasing similar planes failed for lack of adequate funding.

South Africa places new rail order

By Bernard Simon in Johannesburg

GENERAL MOTORS South Africa has won a R54.5m (\$30m) order for the delivery of 100 diesel-electric branch line locomotives to South African Railways. A GM spokesman said that the company expects to be awarded a second contract worth another R50m.

The GM order is part of a large expansion and electrification programme currently being undertaken by the railways. Locomotive orders worth over R120m have already been placed with GEC, Siemens and Nishio-Iwai, and SAR has called for tenders for a further 150 electric locomotives and 503 suburban carriages.

BRITAIN'S second world trade centre in Manchester has now recruited its first members towards a target of 1,000 by 1982. The centre, which is one of more than 100 in 40 countries providing a range of services for international businessmen, has moved into a refurbished suite of offices in Ship Canal House in the centre of Manchester but is hoping to develop its own purpose-built facilities at a later stage.

Britain's other world trade centre has been in operation since 1972 on the site of the former St. Katharine's dock near the Tower of London.

The initiative for the Manchester centre came from local business leaders and from Manchester City Council which is paying the initial setting-up costs including the salary of the director Mr. Peter Sweet. It is hoped that the centre can eventually become self-supporting through subscriptions, currently set at £100 per year. The centre, which opened its doors for business at the start of the year, will be recruiting from among an estimated 40,000 com-

Soviets to make Italy's 'Jesus' jeans

BY PAUL BETTS IN ROME

A TURIN-BASED company, which owns a popular Italian blue jeans manufacturing concern called "Jesus Jeans," has won the first ever contract to manufacture blue jeans and jackets in the Soviet Union.

In a deal estimated to be worth more than £50m (\$43m), Magliificio Caldificio Torinese is to supply the Soviet Union with a jeans manufacturing plant, know-how and licence to produce 7.1m jeans and jackets over the next five years.

The Italian company also indicated it was negotiating another venture with the Soviet authorities involving the production of jeans cloth and clothes for the Soviet

market. The deal is significant in that it reflects an important change of attitude by the Soviet authorities towards a product which until recently was regarded as a symbol of the Western way of life like Coca Cola and jazz.

Up to now, blue jeans were scarce in the Soviet Union, and according to the Turin company could fetch as much as \$70-\$100 a pair, or the equivalent of an average monthly salary of a Russian worker.

The Italian company, which is expected to see its net sales increase from £36m last year to £55m this year, has become in recent years one

of the most aggressive concerns on the world jeans market.

In 1975, it started selling its Jesus Jeans products on the U.S. market, achieving the big U.S. manufacturer. It has also sold its know-how in Greece, Spain and South America and is at present negotiating contracts in South Africa and Canada.

The company said the mediator for its Soviet venture was the Nova Sider concern, which initiated the preliminary contacts between Fiat, the giant Turin-based car group, and Moscow for the deal which led to the construction of the Togliattigrad car complex.

Meanwhile, Sig. Enrico Manca, the Italian Foreign Trade Minister, completed yesterday a visit to Poland. A day's ago, he advanced Poland's export credit line, Italy is now expected to extend to the East European country a further \$180m credit line later this year.

At the same time, Sig. Manca said Italy hoped to negotiate substantial supplies of coal from Poland. However, the new Italian credit lines to Warsaw are principally designed to support the sale of Italian steel, textiles and chemical products as well as machinery, industrial plants and machine tools to Poland.

\$300m iron pelletising plant for Bahrain

BY MARY FRINGS IN BAHRAIN

THE ARAB Iron and Steel Company (AISC), formed by Government and private interests in Kuwait, Iraq and Jordan, is to build a \$300m (\$129m) iron pelletising plant in Bahrain.

Kobe Steel of Japan and Lurgi Chemie und Huttenvertechnik of West Germany, are due to submit bids for a turnkey contract by September 1. Four locally-based contractors are competing for the site preparation contract on which work should start next month. This involves the reclamation of 800,000 square metres of land from the sea, north-east of the Asry drydock, and a 3,200-metre link to the Asry causeway.

Shareholders already committed to the \$150m company include Kuwait Foreign Trade, Contracting and Investment (KFCI), Kuwait Metal Pipe Industries, the Government of Iraq, Arab Industrial Investment, based in Baghdad, and Arab Mining, based in Amman. A \$5.3m stake is being reserved for private Bahraini investors, and further shares may be

offered to groups in other Gulf States. Saudi Basic Industries (SABIC) sent a representative to a meeting of potential shareholders in Bahrain this week, but has not yet confirmed its participation.

A feasibility study prepared by Kuwait Engineering Operation and Management (DENOMAC) forecast a 12 per cent return on investment after finance charges once the plant reaches full operating capacity of 4m tonnes a year. Target date for start-up is the end of 1983.

Steel demand in the region is put at 12m tonnes by 1990, of which 5m to 6m tonnes could be produced in Arab Gulf States, based on current development plans.

Iron-ore will be imported in bulk carriers from India, Brazil, Australia, Mauritania or Liberia. It will be in the form of "blue dust"—high in silica and alumina. It will be re-exported as iron pellets to steel plants around the Gulf.

Bahrain is selected for the regional project because of its central position, and the encouraging attitude of its Government, which will supply the plant with about 36m cubic feet a day of fuel gas.

Land has been donated by the Bahrain Government near the airport, and two Bahrain stock companies are being incorporated by Amiri decree. The holding company will be known as Apars, and the operator as Apars Management.

Tenders for the turnkey contract will be opened by the end of July, and the system is due to go into operation three years from the date of signing.

Thorn TV technology for China

BY JASON CRISP

THORN Consumer Electronics has sold its colour television technology to China and Hong Kong in the face of competition from several Japanese television manufacturers.

It has signed a four-year agreement with the Hong Kong Television Manufacturers Promoters who will assemble Thorn's "TX9" chassis, which is suitable for tubes between 14 and 22 inches, in Hong Kong and at a new factory being built

in the free zone of China. The new factory in China is expected to have an initial production capacity to make 250,000 sets a year. Initially, the two factories will receive all its components, in kit form, from Thorn's Gosport factory, although there is provision in the agreement for Promoters to buy its components locally and just pay Thorn the licence.

Thorn Consumer Electronics' toughest competition is believed to have come from Nippon Electric who were also short listed. It has also recently sold \$3m of orders of the same technology to Italy and Scandinavia.

Crane Packing, Britain's leading makers of mechanical seals, has entered into an agreement with the China National Technical Import Corporation in Peking for the manufacture under licence, in China, of Crane's range of seals.

Israel to import 9m tonnes of coal a year

BY L. DANIEL IN TEL AVIV

ISRAEL expects to be importing more than 9m tonnes of coal a year by the end of the decade. This was stated yesterday by Mr. H. Landan, the Minister for Transport, at a ceremony marking the start of construction of an offshore coal unloading pier on Israel's Mediterranean coast.

The installation is said to be

the only one of its kind in the world with a huge overhead conveyor belt to take coal from the offshore pier to the storage depots of Israel's first Dual-Fuel (oil or coal) power station. Situated half way between Tel Aviv and Haifa, the station will require 3m tonnes of coal annually, starting in 1982.

A second, similar, power

station is to start operating further south along the coast in 1983 and a third is on the drawing board. It is expected that many industrial plants will turn to coal as an alternative fuel. Contracts for the initial quantities needed have already been signed with South Africa and Australia.

U.S. company invests £5m in Ireland

BAUSCH AND LOMB, the New York-based manufacturer of vision care products and scientific instruments, has announced that it has agreed plans with Ireland's Industrial Development Authority (IDA) to set up a factory in Waterford.

The £5m factory will manufacture soft contact lenses. Shipments are expected to begin early in 1987. The plant will get under way with a work force of 50, increasing to 300 in a short time. The company is now taking on management personnel, and recruitment of technical and production staff will start soon.

Euroco International, the British computer software company, is to open a development centre in Ireland to take advantage of the Republic's incentives for new service industries. It is establishing a £500,000 base in Dundalk, north of Dublin, to develop and export its software packages. The new company will employ 55 computer professionals by 1983.

Ingersoll-Rand Hungary deal

By Lorne Barling
INGERSOLL-RAND has won two contracts worth \$8.7m to supply machinery to Hungary. The first involves the supply of nine heavy-duty gas turbine compressor units to Chemokompex, the state trading company which will be installed on the Hungary Oil and Gas Trust's natural gas pipeline system.

An agreement was also signed for Ganz Marag Works of Budapest to build and export natural gas engines for packaging with Ingersoll-Rand compressors and other equipment for the international oil and gas industry.

Brazil to cut State company imports by 15%

By Diana Smith in Brasilia

IMPORTS BY Brazil's State-run enterprises in 1980 are to be cut by 15 per cent to just over \$2.5bn, Sr. Antonio Delfim Netto, the Planning Minister, announced yesterday. The measure is expected to be officially imposed this week.

At the beginning of the year, State companies' imports were cut to \$3bn, 20 per cent less than in 1979. This was expected to relieve pressure on the trade account, which the authorities want to balance this year at \$200m each of imports and exports.

Rising oil prices are expected to push the oil import bill up to \$11bn for the year, making further non-oil import cuts necessary.

It is understood that Petrobras, the oil monopoly, the mammoth Itaipu dam and, probably, Nuclebras, the national nuclear agency, will be exempted from the new cuts.

Sr. Netto has also said that half the State concerns, which include utility companies, mining concerns, steel agencies, welfare institutions and pulp industries, have already spent their 1980 allocations.

WEST GERMAN beer drinkers appear to have reached the saturation point when it comes to the domestic brew while imported beers are establishing a bridgehead in one of the world's most competitive beer markets.

Statistically every West German downed 145.1 litres of beer or half a litre less than in 1978, which was already down from 148.6 litres in 1977.

Putting this in perspective, the Czechs consumed 130.7 litres per head in 1978, the Danes 127.7 litres, the Irish and Belgians 124 litres, the Britons 122.1 litres and the Americans only 88.6 litres.

At the same time as German beer consumption has declined the amount of so-called cheap beer on the market has risen. This is often good quality beer produced by German breweries under a different label and sold in supermarkets and discount stores. These beers can be bought for as little as half the price of some of the brand names.

The breweries admit that although the cheap beers boosted per capita intake to a

record 151 litres in 1978, it also led to falling profitability. West German banks bought up so many breweries that one Bavarian bank became known as a brewery with a banking division. Now they are busy selling them while the larger breweries seek to diversify.

Small size has also prevented most West German breweries from reaching the most economical scale of output. The average brewery in West Germany—where there are 1,447 of them compared with 143 in the UK, 89 in the U.S., 73 in France and 21 in The Netherlands—turns out 633,000 hectolitres of beer compared with 2.1m in the U.S., 697,000 in The Netherlands and 464,000 in Britain. Many local German beers, such as the delicately smoked Rauchbier from Bamberg, are virtually unknown outside their area.

Other Western European brewers, especially the Belgians and Danes, have added to the abundance of low-priced beers and lifted West German total beer imports in 1978 to 675,000 hectolitres or 0.9 per cent of domestic beer consumption while German beer exports

were 2.7m hectolitres. The UK became the largest market for West German beer, taking 580,000 hectolitres followed by the U.S. which imported 459,000.

Neighbouring East Germany is not subject to customs duties on its products in West Germany, sent over 168,000 hectolitres of beer in 1978 as well as barley malt. East German beers such as Radbecker and Wernesgrüner sell for less in West German supermarkets than in East Germany.

The two Germans still share a brewing law stemming from the Middle Ages that beer may only be brewed from barley malt, yeast, hops and water. Imported beer must also comply with this regulation which means that so-called "pulp" such as rice cannot be used. On the other hand German brewers may use the cheaper raw materials if they desire in their exported beer.

Czechoslovakia, which supplied 151,000 hectolitres to West Germany in 1978, is one of the few foreign producers to sell beer in the upper price bracket. A bottle of Pilsner Urquell from Pilsen or Budvar

from Budejovice sells for DM1.35 (33p) in most West German supermarkets which puts it ahead of all but a few German brands.

Mr. Rudolf Polak of the Knapol Food and Drink Foreign Trade Organisation in Prague says Czechoslovakia does not want to expand its beer exports to West Germany and other Western countries, holding it to some 300,000 hectolitres out of 24m produced annually.

"We have a high value product unlike our machinery where the market is difficult," he notes. "And we want to keep the product a bit scarce." The Czechoslovaks have launched their share of legal actions in West Germany where the word Pilsner has virtually become a generic name for beer. They have won several actions where German and Danish brewers had used the word Pilsner, Urquell or Urpils on their labels and nothing else.

Although imported beers are unlikely to occupy more than a niche of the huge West German market, changes in German

drinking habits are affecting consumption.

In 1970 beer made up 27.2 per cent of all drinks, alcoholic and non-alcoholic, consumed in West Germany. This dropped to 24.1 per cent in 1978. In the same period wine gained only slightly from 3 per cent to 3.3 per cent. Spending on beer however, fell from 35.3 per cent to 28.8 per cent while spending on wine rose to 9.7 per cent. Soft drinks made the greatest inroads on the traditional beer market, gaining from 13.4 per cent to 19.6 per cent of all beverages.

The presence in West Germany of 4m foreign workers and their families has not helped to boost beer consumption. The Turks, the largest single group, are not as rule beer drinkers and most of the others—Italians, Greeks and Yugoslavs—drink more wine than beer.

Any growth will thus have to come from exports which have gained fastest to Britain, Austria and the U.S., although in the latter it is Dutch beer which dominates among the imports.



Pilsner beer

20's PRICES.

From £5,490.*

The surprising thing about the Renault 20 range is the price.

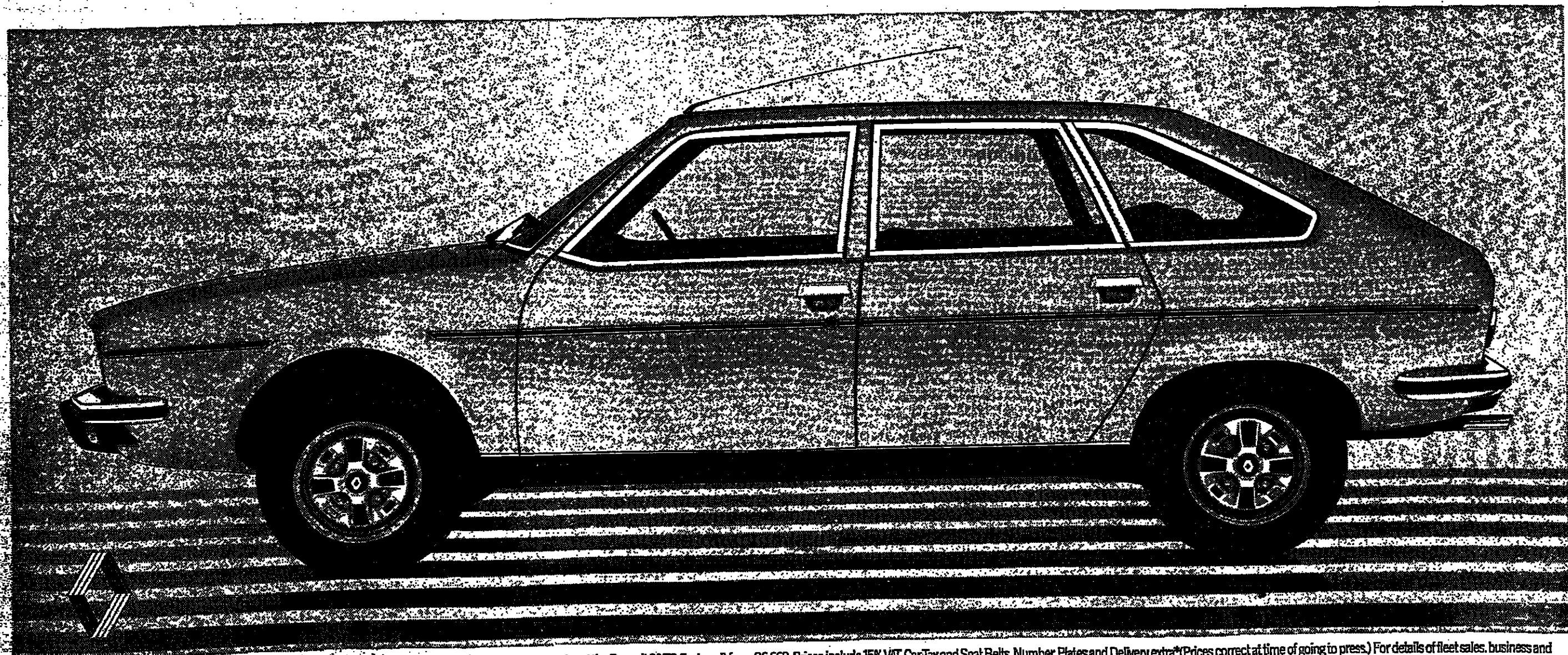
Although the three versions all offer a high level of equipment and performance, the prices start at an amazing £5,490.

Within the range you will find such refinements as power-assisted steering, 5-speed gearbox, electric front windows and centralised door locking, depending which model you choose.

The only way to decide which one you want is to go and take a look round at your nearest Renault dealer.

The Renault 20TL is available from £5,490, the LS from £5,950 and the TS from £6,668.

RENAULT 20



The Renault 20 range of 3 models includes the 1650cc Renault 20 TL from £5,490, the Renault 20 LS from £5,950 and the Renault 20 TS (featured) from £6,668. Prices include 15% VAT, Car Tax and Seat Belts. Number Plates and Delivery extra. (Prices correct at time of going to press.) For details of fleet sales, business and professional leasing or a brochure, write to Renault UK Ltd, PO Box 2, London W3. For export details write to Renault UK Ltd, Western Avenue, London W3. Ask any of our 460 dealers about low rate Renault Loan and Insurance Plans. West End Showroom 77 St. Martin's Lane, London WC2. Renault recommend **elf** lubricants.

Industrial Leasing:

Why we believe we can do more for you than any other leasing company.

- 1. Experience.** We have been handling the total range of leasing transactions including Industrial Leasing, computers and cars in the U.K. for well over a decade.
- 2. Talent.** Our executives are drawn from banking, accountancy, legal and actuarial professions – professional people capable of understanding the financial aspects of your company's business and how they relate to leasing.
- 3. Strength.** We are a member of the Midland Bank Group which means our financial standing and resources are of a magnitude that allows us to take on virtually any size of leasing arrangement.
- 4. Service.** We endeavour to maximise your company's return on its financial commitment by carefully constructing individual leasing packages that take full advantage of your financial situation. We believe we are better at achieving this aim than any other leasing company. And that cannot just be our belief because, year after year, more and more companies come to us for Industrial Leasing.

To learn more about our approach to leasing and how it could help your company, please contact us.

Midland Montagu Leasing Limited 

Head Office: Gillett House, 55 Basinghall Street, London EC2V 5DN. Telephone: 01-606 5951/4. Member of the Midland Bank Group.
Regional offices: SOUTH: London 01-638 1674/8 MIDLANDS: Birmingham 021-454 4505
Leicester 0533-533104 NORTH: Leeds 0532-457591/2 Manchester 061-834 9766/7 Newcastle upon Tyne 0632-28797 SCOTLAND: Edinburgh 031-225 4648 Glasgow 041-221 5621 Aberdeen 0224-29441 NORTHERN IRELAND: Belfast 0232-28220.

UK NEWS

Executives' pay gap narrows by 15% in 13-state survey

BY JAMES McDONALD

HIGHER SALARIES and growth in sterling's strength over the past year further narrowed the gap between the pay of a British executive and his counterpart in other leading industrial and commercial countries. Nevertheless, UK management remains less well-paid than comparable executives abroad.

In its annual survey of inter-country executive remuneration, the Organisation for Economic Co-operation and Development (OECD) estimates that in the past year the difference between the UK executive's gross pay and the average executive levels in 12 other major countries has narrowed by about 15 per cent.

In net remuneration the gap has narrowed by 11 per cent, and in terms of purchasing power (or what the net remuneration will buy) by 8 per cent.

In net remuneration—after deducting employee Social Security contributions, only the Swedes are worse off than the British. In terms of comparative purchasing power, again only the Swedes are worse off.

The OECD tables show UK executives at three typical levels of gross salary—£11,250 per annum, £15,500 and

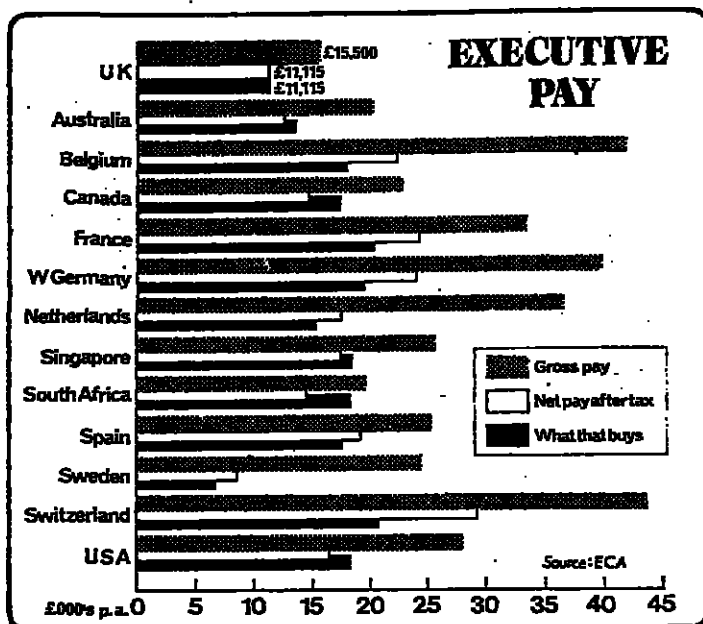
£21,400—and compares them with those holding equivalent posts in the 12 other countries.

"Hardening of sterling and higher salary movements have both contributed to the improvement in the net income comparison," says the OECD. "The reduction in the purchasing power gap is less, however, because one effect of the hardening of sterling is to make the other countries comparatively less expensive."

As in previous years, however, the disparity between the UK and abroad remains widest in terms of gross pay and narrowest in purchasing power. This is because the UK is still cheaper than most of the other countries, although this purchasing power is reducing.

In the previous year's comparisons, Australia, Canada, Singapore, South Africa and the U.S. were cheaper or about the same as the UK. This year, with the UK's higher inflation rate these countries have become even cheaper. Other countries have moved closer to the UK, and Britain now has the highest rate of inflation of the 13 countries surveyed.

Switzerland maintained its leading position—which it



took from the U.S. in the previous year—as the net overall best payer, followed by France and West Germany. A UK earner of £15,500 equates to a Swiss earner of \$23,643.

The report does not examine the economic factors behind actual pay comparisons. "However, it is evident that the UK, which is ceasing to be a cheap country, can maintain

or improve its relative position only by increasing its pay levels, and can afford to do this only if its economic performance justifies these increases," it says.

OECD is a monitoring organisation set up by leading international companies to collect and update information on all aspects of employment, expatriate and local.

Europe's economy air fares 'excessive'

By Lynton McLean

ECONOMY FARES on longer European flights are "excessively high," according to a House of Lords committee in a report published yesterday.

National airlines in Europe are "over-protected and regarded as vultures symbols rather than economic units by their Governments," according to Lord Boyd-Carpenter, chairman of the Lords sub-committee which investigated European air fares.

"Civil airlines in Europe," he said, are unduly coddled and protected. The committee wants to see the Government press for more competition on European routes.

Airline consumers' interests appear to be "sacrificed to the prestige of flag-carrying national airlines." The committee wants EEC Governments to adopt a step-by-step approach to liberalisation of competition.

The committee asked the EEC to encourage airlines and travel agents to display notices listing all available fares—"for benefit of buyers and sellers."

Forty-ninth Report of the House of Lords European Communities Commission, Session 1979-80 (HL 235), European Air Fares. Price 55.

National Bus may shut routes that do not pay

BY LYNTON McLEAN

THE STATE-OWNED National Bus Company, may be forced to abandon unprofitable rural bus routes as a result of cash constraints and the consequences of the Government's Transport Bill. The company, which controls 35 regional bus operators, made a net surplus of £6.2m last year compared with £17.7m in 1978.

Lord Shepherd, the chairman, said yesterday, on publication of the 1979 annual report, that measures in the Bill would cause National Bus "to concentrate on services that are commercially viable."

Many services of value to the public may be withdrawn.

The possible abandonment of rural services losing money was widely forecast when Mr. Norman Fowler, the Transport Minister, introduced his Bill last year to "de-regulate" express coach and excursion services.

National Bus said "there is little doubt that de-regulation of longer-distance services will lead to a contraction in the capillary network of express services."

Efforts will be concentrated on fast-running and high-earning services on motorways and dual-carriageway trunk roads.

The Transport Department said in response that the Bill would open the field to smaller companies. They might have lower overheads, more of a chance to make a profit, and might fill the gap left by larger companies.

Last year's results for National Bus were "not unsatisfactory" in view of the "dreary winter" of 1979, Lord

Shepherd said. The weather resulted in damage to a third of the company's 17,632 vehicles and led to a drop in passengers.

This was reversed in the summer, when traffic rose by about 2 per cent. Mr. Robert Brook, the deputy chairman and chief executive, said that this was partly caused by motorists' difficulties in obtaining fuel, especially in the South.

The year ended with total traffic down 1.3 per cent compared with 1978.

National Bus made further gains in productivity last year: the total operating cost for each bus-mile rose at a rate lower than the rate of inflation.

National Bus has 84 per cent of its buses one-man operated, as agreed with the unions, and Mr. Brook said further gains here were "less possible" than in the past.

On a current-cost accounting basis, National Bus had a loss of £15m last year. Lord Shepherd said that in the past deficits had been dealt with by borrowing.

But "the new circumstances facing us" this would no longer be entirely possible.

The company faces tight Government cash limits and was required by statute to break even in current-cost accounting terms.

This represented a "real squeeze," Lord Shepherd said, because the company would soon have to fill the gap emerging as a result of the phasing-out of the Government's bus grant, worth £24m to the company last year.

Lonrho not to bid for Shotton

By Hazel Duffy, Industrial Correspondent

LONRHO will not be making an offer to the British Steel Corporation for the Shotton complex, but it appeared from a statement yesterday that the company still wants to keep its hand in by making a bid to manage Shotton on a contractual basis.

The chairman of Lonrho's subsidiary, Mr. Peter Edwards, will deliver the plan to a Press conference in Sheffield next Monday. In its statement yesterday, Lonrho claimed that if the management of Shotton was handed over to Hadfield's management, it would be possible to reduce imports of finished steel, and create jobs at the North Wales plant.

It is believed that Hadfield is thinking of bringing in semi-finished steel and re-rolling it at Shotton.

Mr. Norton took a team to visit Shotton at the beginning of April, where they had discussions with senior management of BSC and Shotton work force representatives. The visit resulted in a recommendation by Hadfield that it should not make an offer for the site, which has been accepted by its parent company, Lonrho.

BSC's iron and steelmaking at Shotton was due to close at the end of March, but the plant has not operated since the end of December because this was followed by the three-month steel strike. The closure resulted in 6,400 redundancies. But BSC has maintained the steel strip coatings complex at Shotton, which was modernised recently at a cost of £85m. The plant is now fed with steel from BSC's plants in South Wales and Ravenscroft.

Mr. Norton suggested when he visited Shotton that thousands rather than hundreds of jobs could be revived if Hadfield took over the complex, which obviously appeared him to union and local authority officers in the area. The statement yesterday puts no figure on the number of jobs that might be created if Hadfield took over the management, but merely says that employment levels would be "increased."

The decision on whether any other company should take over a BSC plant lies solely with the Corporation.

Euroco building £0.5m centre near Dublin

Euroco, a British computer software company, is setting up a development centre costing £500,000 north of Dublin with considerable assistance from Ireland's Industrial Development Authority.

The new centre, which is expected to employ over 50 computer professionals by 1983, will develop the company's existing packages for insurance brokers and its accounting system. The products will be exported to Britain, Germany and the U.S.

Young drinkers on the increase

THE United Kingdom Alliance, a temperance association opposing a relaxation of licensing laws, said yesterday that people were turning to drink at an earlier age.

Under-18s convicted for drunkenness had quadrupled, it said. Rioting by English football fans in Italy showed that young people were incapable of handling alcohol.

Helm change at ailing Gratton

BY CHRISTINE MOIR

A NEW chief executive is to be appointed to Gratton Warehouses, the troubled mail order company.

Mr. Michael Pickard, its chairman, announced yesterday that Mr. David Jones, managing director of British Mail Order Corporation and an associate director of Great Universal Stores, will join Gratton "within six months."

The present managing director, Mr. Michael Place, will stay on as deputy chief executive.

Six weeks ago Mr. Pickard announced a series of senior management moves as a result of which the finance director, company secretary and chief

buying director either resigned or lost their executive positions.

New in addition to Mr. Jones, a management services and computer director is to be appointed. He is Mr. John Whitmarsh, also of Great Universal.

Mr. Whitmarsh has been director of computers at British Mail Order since 1978 and has clearly been acquired to direct Gratton's change to computerised sales and warehouse, which has dragged on at high cost.

But many owners obviously feel that the matter is apparently too trivial to worry about. The Department maintains, however, that there would be no recall unless the defect could affect a vehicle's safety.

Where possible, the Department will try to contact fleets of commercial vehicles or company cars which do not seem to be answering recalls and advise them of the risk to safety they may be running.

One in two car owners ignore safety recall

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FEWER THAN HALF the people contacted about possible safety defects in their vehicles have been responding to recall campaigns by the manufacturers.

The Department of Transport has therefore issued a warning that "owners who choose not to respond to recall notice are a potential hazard not only to themselves but to other road users."

The Department has been monitoring the progress of the voluntary Code of Practice on vehicle safety defects agreed with the Society of Motor Manufacturers and Traders and launched 18 months ago.

Since then 62 recall campaigns have been initiated under the code—from July 10 last year to March 31 this year

involving 370,892 cars and commercial vehicles.

Manufacturers contacted owners or operators by using the Vehicle Licensing Centre at Swansea or their own records. Some people failed to respond because they had changed their addresses but did not notify Swansea.

But many owners obviously feel that the matter is apparently too trivial to worry about. The Department maintains, however, that there would be no recall unless the defect could affect a vehicle's safety.

Where possible, the Department will try to contact fleets of commercial vehicles or company cars which do not seem to be answering recalls and advise them of the risk to safety they may be running.

Brickfield pollution discounted as danger to health

By Gareth Griffiths

ATMOSPHERIC pollution caused by the London Brick Company's Fletton brickfields in the Bedfordshire, North Buckinghamshire and Peterborough area, is not a health hazard, says a report from the Department of the Environment.

The report, published yesterday, clears the way for both Bedfordshire and Cambridgeshire County Councils to give planning permission to London Brick for a £75m scheme to build three new brickworks in the area as part of a 15-year redevelopment programme. Both councils had deferred final planning decisions until the DoE report was published.

Air pollution caused by the brickworks is mainly in the form of fluoride, sulphur dioxide and odours. The report suggests that a monitoring and assessment group be set up,

ICL not to face monopolies probe

BY JASON CRISP

THE OFFICE of Fair Trading has decided not to refer ICL, Britain's largest computer manufacturer, to the Monopolies Commission after the company agreed to change some of its commercial practices.

But the OFT, which has been investigating complaints about ICL's trading practices, will continue to monitor the company's activities.

Yesterday ICL acknowledged that the OFT was reserving its right under the competition legislation and would re-open discussions with the company if the situation changes or new significant evidence appears.

Several small computer companies had complained that ICL had been carrying out allegedly anti-competitive trading practices. ICL did not agree to change all of its practices which led to the complaints. The main practice which it has been unwilling to concede to the OFT is the length of its standard maintenance contract and its unwillingness to accept responsibility for maintenance after the

expiry of the contract period when ICL equipment is moved to a new site.

After discussions lasting several months with the OFT, ICL has agreed to a number of changes in its commercial practices, largely to do with the connection of peripheral devices.

On maintenance ICL has agreed to withdraw a 20 per cent surcharge which applied at the end of the seven-year contractual maintenance period.

A letter from the OFT to ICL on Tuesday stated: "Taken as a whole, we consider that the modifications proposed represent a significant improvement in relation to practices of your company which have been under discussion. Accordingly we are able to say that on the information at present available, this Office does not intend to use its powers under the Fair Trading Act or the Competition Act for an investigation of the ICL practices which gave rise to these complaints."

Steel imports still well above average in May

BY ALAN PIKE

LEVELS of steel imports into Britain, double the normal monthly figure in April, remained well above average last month.

Mr. Gordon Sambrook, commercial director of British Steel Corporation, told the Commons Industry and Trade Committee yesterday that while the May figures were not yet confirmed they "look significantly higher" than the normal 300,000 tonnes a month, though below April's 600,000 tonnes.

Imports remained at normal levels from January to March, actual period of the national steel strike, but began their

climb as the strike was coming to an end. Mr. Sambrook said BSC hoped that the June figures would show extra imports beginning to taper off.

Some large companies, he agreed, had indicated that they would continue to seek second sources as a result of their experiences of the strike. But there was some evidence that this would not be as widespread as BSC might have feared.

Though BSC had put some customers in touch with other suppliers during the strike, it had not itself tried to import steel, partly because of physical difficulty and partly to avoid worsening industrial relations.

ARTHUR SANDLES ON THE FAR EAST'S AIRLINE PROBLEMS

Storm clouds in Nott's open skies

SHOULD Mr. John Nott's enthusiasm for diversified air services to Hong Kong be endorsed by the colony's air transport licensing authority, the number of Britons who enjoy (or endure) a landing at Kai Tak Airport will increase dramatically.

Last year some 8.7m people flew into or out of Kai Tak, and for those who arrive on a clear day with the wind blowing from the sea, the experience is memorable.

The airport is wedged between Hong Kong's skyscrapers and the eastern waters of Victoria Harbour. The narrow finger of runway is so placed that the wide-bodied jets, which make up half the traffic at Kai Tak, have to make a sharp right turn at a rocky promontory—heavily painted in black and white and nicknamed the Chequerboard.

Having made the turn—and failure would mean a detour into Chinese airspace—the jets descend through an avenue of oriental washing hanging from the balconies of hotel blocks.

By any standards Kai Tak is already a busy airport, and it is rapidly approaching bursting point. Last year its number of flights rose by six per cent from 52,642 to 55,928, but because an

increasing proportion of these are big jets the number of passengers was up by 12 per cent.

The colony's position as a trading centre also makes the airport a hectic place for cargo traffic. It handled 260,000 tonnes last year, which included a quarter of Hong Kong's exports and a fifth of all imports.

The local Government acknowledges that the airport's future development is restricted by the billy surroundings, the proximity of urban areas and the scarcity of land. For that reason there are now plans for a new airport, at Chek Lap Kok Island, off Lantau.

The crowding of Kai Tak, the lack of local hotel rooms for the next two years at least, and a desire to nurse along aviation policy (and with it the local airline Cathay Pacific) are all reasons why the Hong Kong authorities are not as eager as Mr. Nott to play the open skies game.

For Mr. Nott the Hong Kong route is part of a newly aggressive free-wheeling aviation policy. For Hong Kong itself the airport and its services are at the heart of local economic life.

The Governments and airlines of the Far East try to work closely together, an intention which is not always achieved when any national carrier is faced with a particularly self-interest. What could upset the balance this time is that the British move opens up the prospect of a gateway war in the area.

Clearly if Hong Kong makes a determined bid for the title of Far East gateway the current claimant, which is arguably Singapore, might be keen to react. Other rivals, such as Bangkok and Manila, might not stand aloof from any such struggle.

Singapore too has problems of overcrowding. Its airport handles much the same amount of traffic as Hong Kong's, but plans for a replacement are much further advanced. Land which was once used by the British forces at Changi is being transformed into a new international airport and Singapore is planning for 12.5m passengers a year by the mid-1980s. If Hong Kong's aviation freedom looks like endangering this planned growth the challenge is likely to be taken up.

The greatest hindrance to any strong pitch on Hong Kong's behalf for more visitors

is hotel accommodation. In 1979 local hotels operated on an average 91 per cent occupancy rate. This means that for much of the year there were simply no rooms to be had. The colony discourages casual visitors who arrive without pre-arranged accommodation and this is not keen on Laker's Skytrain.

Room availability, though, is a problem more easily solved than the airports' limitations. While there are only 14,383 hotel rooms in Hong Kong at the moment, a further 1,533 will open this year and the total is planned to top 18,000 by 1981.

Local hoteliers are looking hungrily at the Chinese market and have high hopes of the colony (which China refers to as a Chinese territory under foreign administration) remaining the major gateway when more hotels are built in and around Canton.

Even with an expanded ability on the part of neighbouring China to accept visitors, and with more hotel rooms of its own, Hong Kong would still have to re-export its visitors for the airlines fully to indulge their freedoms. This in turn would mean a considerable upsurge in feeder traffic, the branch lines of civil aviation

which pour local people over short distances to the international terminal.

Hong Kong is only an air hop from Taiwan and the Philippines. Nor is it far from Korea, Thailand, Singapore, even Japan and Indonesia. On many of these routes one name occurs again and again, and that is Hong Kong's own flag-carrying airline, Cathay Pacific.

Cathay Pacific is controlled by Swire, a Hong Kong based conglomerate. Via Cathay Holdings, a wholly owned subsidiary, Swire has 60 per cent of Cathay Pacific. A further 25 per cent is held by the Hong Kong and Shanghai Bank and Intriguingly the rest is owned by British Airways.

Cathay is now assured of its rights on the London-Hong Kong route for, whatever happens, the Hong Kong authorities are not going to reverse their decision on that point. The airline has proved itself quickest off the mark in getting a service running—it starts next month—and by far the sharpest in promotional terms by getting full-page advertisements into yesterday's national newspapers.

Cathay's potential gain from additional traffic into Hong Kong is enormous. With widespread feeder network (it

serves 28 cities with a fleet largely based on 747s and TriStars) and local popularity, even a shortfall on the main route to the UK might have its compensations on the local runs.

All this means that Cathay Asia (Indonesia, Malaysia and Australia) while it may stand by and watch these airlines best each other to death.

With the cheapest return fare to Singapore at \$289 against British Caledonia's proposed £100 basic one way to Hong Kong, it remains to be seen whether the Singapore airline will be able to watch from the sidelines a bloodbath of its rivals. For the moment, however, it is clear that Mr. Nott has stirred up aviation turmoil.

PIAGET
The specialists in ultra thin watches

available at leading jewellers throughout the world.

0% FINANCE

Buy an M.A.N. HT 16.240 or HT 16.280 maximum gross weight tractor unit before August 4th and we'll sell it to you interest free for up to three years.

You know how high the present interest rate is, so just think how much that will save you.

Take advantage of M.A.N.-VW's Truck Deal of the Year and buying a tractor unit is suddenly a very, very feasible proposition.

And not something to be put off until next year or the year after.

Which is just as well when you consider the economic forecast.

What's more, because our deal is so straightforward, you don't have to become involved with a lot of time-consuming calculations.

After all, 0% interest is an easy equation to figure.

It's also a very profitable one.

0% HERE'S EVEN MORE TO INTEREST YOU.

Both the 16.240 and 16.280 are highly economical to run and way down on down time.

So, you won't only save money by taking advantage of our Truck Deal of the Year, you'll also find that your running costs in years to come will bring a smile to your face.

M.A.N.-VW DEALERS INTRODUCE THE TRUCK DEAL OF THE YEAR.



THE M.A.N. HT 16.240.

This is the perfect tractor unit for trunking and town work.

Plated at 32 tons for U.K. operations, the HT 16.240 has a design weight of 38 tons G.C.W.

The naturally aspirated M.A.N. diesel delivers a healthy 237 b.h.p. at a leisurely 2200 r.p.m. to give long engine life.

To pull you through there's a hefty 636 lb. ft. of torque.

The six speed ZF gearbox comes with a splitter to give you a dozen carefully chosen ratios which every driver can appreciate.

What's more, in 70 years of building heavy trucks, M.A.N. have built up a superb reputation for reliability and quality control.

You'll find that the 240 is a straightforward money-making machine that'll work hard for you without self-interest.



THE M.A.N. HT 16.280.

With a design weight of 44 tonnes G.C.W., this is the perfect tractor unit for long arduous hauls, at home or on the continent.

It has arguably the best turbo-charged engine in Europe.

With only modest boosting, the 280 engine delivers 276 b.h.p. at 2200 r.p.m.

With no reliability penalty.

And the power and 793 lb. ft. of torque have been carefully matched to drive-line ratios to give you highly competitive journey times.

So you make more, making more trips.

The 13 speed, range-change gearbox will get your driver going with its fast change and ratios matched to any road situation.

And due to turbo-charging, the cab is even quieter.

So, with its combination of power, economy, reliability and driver comfort, your interest in the M.A.N. 280 would pay you.

0% IT'S IN YOUR INTEREST TO TALK TO OUR TRUCK CENTRES.

Talk to your dealer at your nearest M.A.N.-VW Truck Centre.

He's waiting to explain to you how the Truck Deal of the Year operates* and how it'll work for you.

As everyone's financial position varies, he will discuss the best way for you to make your payments. And of course arrange for you to make a full evaluation.

0% OUR TRUCK CENTRES LOOK AFTER YOUR INTERESTS.

What's more, for parts and after-sales service, advice and sheer professionalism we believe our Truck Centres are second to none.

Your next step is to contact the one nearest you. But do it now. Before August 4th. You've nothing to lose. Except interest.

AVON Avon Truck Services Ltd. Contact Richard Brown Tel: Bristol 826331
CAMBRIDGESHIRE Browns Commercial Contact Doug Giles
Tel: Newmarket 741306
CLEVELAND NorthMAN-VW Ltd. Contact Norman Harrison
Tel: Stockton-on-Tees 062313
CUMBRIA Borderman (Trucks) Ltd. Contact Len Overidge Tel: Carlisle 44455
EAST LONDON & ESSEX Barking Vehicle Engineering Ltd. Contact Tony Demott
Tel: 01-594 0333
GREATER MANCHESTER Downman (Commercial) Ltd. Contact Mike Pettie
Tel: Manchester 4801133
HAMPSHIRE Rosehall Garage (Waltham Chase) Ltd. Contact Ron Morgan
Tel: Bishop's Cleeve 2282
SOUTH HUMBERSIDE Greenwards Engineering Co. Ltd. Contact Martin Leonard
Tel: Grimsby 45291
LONDON Dovercourt Truck Centre Contact Alan Locke Tel: 01-286 8000
LANCASHIRE Lancashire Commercial (M.A.N.-VW) Ltd. Contact Michael Marchbank
Tel: Preston 73936/7/8
NOTTINGHAMSHIRE Henshall Truck Services Ltd. Contact George Wenn
Tel: Newark 821571
STAFFORDSHIRE Mayfair Garage (Tamworth) Ltd. Contact George Beaumont
Tel: Tamworth 3396
SUSSEX Fieldale Ltd. Contact Brian Cullen Tel: Crawley 26022
YORKSHIRE Hensby Commercial Ltd. Contact Richard Gibbons
Tel: Wakefield 276921
YORKSHIRE L.C.W. Truck & Van Centre Ltd. Contact Andrew Long
Tel: Halifax 205618
GRAMPIAN Scottish Diesels Ltd. Contact Bill Rennie Tel: Aberdeen 63292
STRATHCLYDE M.L.T.M. Plant & Commercial (Scotland) Ltd.
Contact George Richmond Tel: Glasgow 887 0351
HIGHLAND William Monro (Invergordon) Ltd. Contact Bill Dewing
Tel: Invergordon 852351
CLYDE Greenford Garage Co. Ltd. Contact Edward Milner Tel: Glasgow 2214
ANTRIM R. Brown Trucks Ltd. Contact Roy Bryson Tel: Antrim 4113

*The application of Truck Deal of the Year is at the discretion of the dealer and the finance company.

HT
16 Series Tractor Units.



M.A.N.-VW Truck & Bus Ltd., 361-365 Chiswick High Road, London W4 4HS. Tel: 01-995 3131.

The Bank of England's Quarterly Bulletin: Peter Riddell, David Marsh and Michael Lafferty report

Bank seeks wage restraint in the private sector

A TEMPORARY fall in real wages would offer the best prospect of getting the rate of inflation down within a reasonable period, and subsequently to allow future increases in real wages, the Bank of England argues in its June Quarterly Bulletin.

The bulletin's assessment section concentrates on the problems of reducing inflation. It says the rise in prices could be tempered by an increase in productivity, but this can hardly be counted on to come about quickly. The rise in prices would also be moderated if profits were squeezed further, but profits are already too low.

Consequently, the Bank argues: "In practice, a significant slowing down of price inflation will entail a temporary fall in real wages. Though real wages have tended to increase in most years, there should be no presumption that this can happen in every year, and that real wages will never fall back."

"This kind of rigid linkage would provide altogether too little flexibility to the economic system for necessary adjustments to be made."

Faster

"In the past two years, earnings have gone up substantially more than prices—by well over 5 per cent if the June, 1979, indirect tax increases are discounted. Manufacturers' labour costs, too, have risen faster than the prices they received—by an even wider margin."

"To get inflation down within a reasonable period it may be necessary for something like that gain to be reversed in the short-term. That would entail restraint in the public as well as the private sector."

The Bank argues that "a counter-inflationary policy can work only by providing a framework of financial stability over the medium term: the costs in the transition period depend, above all, on how quickly expectations generally, and more particularly firms' ideas of the wage increases they can afford to pay, adjust to the monetary environment."

"It is therefore highly important that wage increases in the next round should be well below the present one. It

would indeed greatly reduce the pain and duration of the adjustment if pay settlements were now to be in line with the monetary target."

The bulletin says there are indications that wage increases, especially in manufacturing, have already been restrained by weak conditions of demand; and by the next wage round, this restraint should be stronger.

'Hope'

"There is therefore hope that the increase in earnings in the next round will in fact be appreciably less than the increase in retail prices—significantly reduced as that will be by the early stages of the round. It would then be possible to envisage a substantial reduction in the rate of inflation through 1981."

The assessment notes that the UK is likely to have worse inflation and worse recession than most other countries. It warns, however, that the index of retail prices is not a good indicator of the rate of inflation.

For example, the 3 to 4 per cent boost to the retail price index by the switch to indirect taxation in the June, 1979, Budget will drop out of the annual rate by July, and there will be a further easing as effects of the oil and commodity price increases of the last year recede and if there is any decline in world commodity prices as the recession deepens.

The Bank stresses that Government fiscal and monetary policies are designed to bring about a progressive reduction of inflation, and need to be continued until that end is accomplished: a less restrictive posture of policy would clearly be inappropriate at a time when inflation is so high.

PUBLIC SECTOR BORROWING AND SECTORAL FINANCIAL BALANCES

| | Annual averages | | | | |
|--|------------------------------------|---------|---------|---------|---------|
| | Percentage of GNP at market prices | | | | |
| | 1970/71 | 1973/74 | 1976/77 | 1977/78 | 1979/80 |
| Public sector borrowing requirement | -2.4 | -8.4 | -5.3 | -5.6 | -5.0 |
| Public sector financial balance | -1.3 | -6.5 | -4.8 | -4.8 | -3.3 |
| Company sector financial balance | 0.5 | -1.7 | -0.9 | -0.7 | -2.3 |
| Personal sector financial balance | 1.6 | 5.6 | 5.7 | 6.5 | 6.4 |
| Overseas sector financial balance | -0.8 | 2.2 | 0.4 | 0.1 | 0.8 |
| Residual error | -0.1 | 0.3 | -0.4 | -1.1 | -1.6 |
| Net payments of debt interest by the public sector | 3.2 | 3.6 | 3.9 | 4.0 | 4.0 |

The bulletin offers the hope that "if the pace of monetary expansion slackens, as a result perhaps of a smaller scale of bank lending, the task of monetary control would ease; and the growth of sterling M3 may moderate to an extent which permits falls in interest rates. Larger possibilities of lower interest rates will open up as inflation falls off."

The assessment also discusses the strength of the exchange rate and says, "notwithstanding explanation which can be offered after the event, there appears to be a substantial degree of indeterminacy in its level."

"It clearly owes much to the large volume of international money, increased by higher oil prices, seeking investment; and by the fact that, amid the many uncertainties in the international situation, this country's balance of payments on current account—unlike most others—is little affected by changes in the price of oil."

"More recently it has been affected by the rapid fall in U.S. interest rates, in conjunction with the high level of nominal interest rates in this country which, to outside investors, have appeared attractive—more especially at a time when the exchange rate has demonstrated a tendency, on balance, to continue to rise."

'Tighter'

The commentary section of the bulletin discusses the question of whether greater monetary restraint in 1977-78 would have affected the outcome of the 1978-79 pay round.

"A tighter monetary stance might have limited the upswing in demand, and produced a weaker labour market and a

somewhat lower level of activity than actually occurred. But other factors were also relevant; fiscal policy moved to a less restrictive stance in 1978, and a major element in the upswing in demand was the high rate of earnings increases compared with prices."

"Tighter policies would have tended to raise interest rates and to bring forward the increase in the exchange rate—which, apart from a direct moderating effect on prices, might have stiffened resistance to pay demands. These possible effects are difficult to quantify."

The bulletin notes that public-sector borrowing rose from 1 to 2 per cent of gross national product in the early 1970s to nearly 10 per cent in 1975-76, before declining to 5 per cent in 1979-80. The public-sector deficit—a better indicator of the fiscal position—shows a similar broad pattern.

The main counterpart to the change in the public-sector financial position has been financial accumulation by the personal sector.

The Bank also notes that net debt interest payments have risen to 4 per cent of gross national product. Looking at them as an approximation to inflation-adjusted figures, the public sector has moved from a deficit between 1973-74 and 1978-79 to a surplus now.

The bulletin then discusses the interactions between the public-sector balance and the financial position of other sectors. It says there are specific reasons for concern about the monetary implications of high public-sector borrowing.

The bulletin also says that the company-sector's financial position is likely to have deteriorated further since the beginning of this year, with the continuing rise in costs and with worsening competitiveness. The deterioration may have been greatest in the manufacturing sector.

There are now signs that companies are reacting by cutting back on capital spending, and there are also signs of a downturn in stockbuilding.

Bank of England Quarterly Bulletin, Vol. 20, No. 2, June, 1980. Price £4.00 per issue in the UK and between £4.50 and £5.75 for overseas purchases.

Real pre-tax profits drop

THE REAL pre-tax profitability of British industry dropped sharply last year following a partial recovery between the mid-1970s and 1978.

This is shown by a supplementary note in the latest bulletin on profitability and company finance. This takes account of revised estimates of the data. Gross trading profits have been revised upwards by at least £1bn in each of the years 1973 to 1979 and, as a result, the pre-tax real rate of return on trading assets has been about one percentage point higher than previously estimated.

Nevertheless, the earlier conclusions about trends in profitability remain valid. The pre-tax real rate of return still shows a gentle downward trend during the 1960s and early 1970s followed by a sharp fall (to 5 per cent) in 1974-75 as inflation accelerated and capacity utilisation fell.

The modest recovery to 6 per cent in 1977 and 1978 reflected the easing of cost pressures. But real profitability was severely squeezed again last year as costs (principally of raw materials) accelerated and UK trading competitiveness was adversely affected by the appreciation of sterling. The pre-tax return last year was 4.1 per cent, the lowest so far. This compares with 8.7 per cent in 1970 and 9.3 per cent in 1972.

Another supplementary note in the bulletin presents revised and updated estimates of sectoral saving and financial balances adjusted for the effects of price inflation on net monetary assets and liabilities. This uses the methodology set out in the Bank's discussion paper by Mr. C. T. Taylor and Mr. A. R. Thengolod.

The personal sector, a very large holder of net monetary assets, has persistently suffered from the erosion of their real value. On the other hand, the public sector, as a net debtor, has benefited from the effects of inflation on its monetary liabilities, especially as the major part of public sector debt takes the form of fixed interest securities with fixed redemption values.

Oil exporting countries invest \$1.8bn in sterling

OIL EXPORTING countries sharply increased their investments in sterling during the first quarter. This reflected an estimated 20 per cent increase in their revenues and a renewed preference for the pound as an international investment currency.

Figures contained in the Bank of England bulletin show that these countries increased their holdings of British Government stocks and Treasury bills as well as sterling deposits in the UK by \$1.8bn, or some \$780m, during the first quarter. This was the largest increase in the oil states' sterling investments since the third quarter of 1974.

Inflow

This inflow of funds into the pound took the oil states' identified holdings of the main types of sterling investments to around £3.5bn, some 29 per cent above the end-1979 level.

The Bank estimates that during the first quarter these countries also increased additional sterling investments—holdings of equities, property, etc.—by around £40m.

The oil exporters also increased sharply their foreign currency deposits banked in London by some \$4.1bn compared with \$3.5bn during the fourth quarter of 1979.

Bank deposits and other placements in the U.S. rose by only \$3bn during the first quarter, compared with \$7bn in the previous three months. This continues last year's trend towards a smaller proportion of investments being placed in the U.S.

Erratic

The Bank indicates that the build-up of oil exporters' currency deposits in London—the main Eurocurrency banking centre—has been erratic. It says that the increase in deposits during the final quarter of last year came entirely in the first half of that period. But it does not say whether the subsequent fall-off was due to the U.S. action to freeze Iran's overseas assets on November 14, which is known to have unsettled the oil states' investment behaviour.

The Bank also says that the oil exporters increased their foreign currency deposits in

London by \$6bn during the first seven weeks of 1980. Subsequently, however, some funds were withdrawn, and the net increase for the quarter, as a whole, was \$4bn. The Bank says that by end-1979 about half of the oil-exporting countries' investments were placed in the UK and the U.S. The total identified deposits cash surplus was \$77bn in 1979, giving a cumulative figure of \$230bn for these states' identified overseas investments since 1960.

About 72 per cent of total overseas assets is denominated in the dollar and the rest in sterling, falling from 49 per cent in 1974 to about 5 per cent in 1979. At a price of \$200 per ounce, the oil states' holdings of gold at the end of last year accounted for slightly over 10 per cent.

Companies reject current cost accounting system

A BANK OF England survey of 40 companies has found that a substantial number have no intention of using current cost accounting (CCA) for management purposes until CCA becomes the primary basis for company accounts. This is 40 companies has found that a

deposit, the fact that much of the official support for the development of the CCA accounting system has been designed to get companies to use the information for management purposes. Of the 40 companies surveyed, the Bank found that only nine were using CCA data as a primary or at least a parallel method of management accounting. A further six companies used CCA data in a supplementary way, while another nine said they intended to produce CCA figures for management purposes with a reasonable time. However, no fewer than 16 of the survey companies said they had no plans in this area at all. They rely instead on traditional historic cost figures and other measures of performance.

The Bank of England does not accept that this is satisfactory, and comments: "Because current cost information gives the closest practicable indication of the real rate of return, it is clearly important that account-

ing data on this basis should be available to management both at company and divisional levels. Companies which do not intend to use CCA in the foreseeable future argue that financial objectives and targets, if set appropriately at historic cost, will ensure that operating management will aim to achieve a reasonable real return on assets employed and that historic cost accounting will be a valid indication of the performance of an individual company or division when compared over time."

Among the measures mentioned by companies were: return on historic cost capital employed; gross profit as a percentage of turnover; profit before interest as a percentage of turnover; funds employed as a percentage of turnover; turnover or value added, as a percentage of total payroll costs; savings or working capital in relation to turnover; and capital expenditure as a percentage of sales.

The Bank of England found that companies' views on an acceptable overall return on capital vary between 20 and 30 per cent before interest on the historic cost accounting convention, and between 5 and 10 per cent of the CCA basis.

Heseltine bars pier demolition

MR. MICHAEL HESELTINE, Secretary of State for the Environment, has refused to allow the demolition of Cleveland Pier in Avon.

The Department said yesterday that Cleveland Pier, listed Grade II, "is an exceptionally important building warranting every effort to preserve it." It is built largely of rails from the disused South Wales railway and is unique in its design. The pier is owned by Woodspring District Council, whose application to demolish was considered at a public local inquiry in March.

APPOINTMENTS

Inmos fills four more posts

INMOS has made the following appointments: Mr. Ralph Bohan, non-executive vice president of production, Mr. Fred Guadagnoli vice president of technology, Mr. John Hightley vice president of memory products and Mr. Iann Barron, one of the founders of INMOS, and a director of INMOS International, has also been named a vice president and consultant to the corporation.

Mr. Ronald Williams has been appointed director of the OFFICE OF MANPOWER ECONOMICS in succession to Miss Jean Orr who is retiring at the end of June.

Mr. Ronald Stewart-Brown has joined the London office of MMG, the international financial and management advisory group.

Mr. David Cole, a director of Thomson British Holdings, has been appointed chairman of THOMSON BOOKS in succession to Mr. Bryan Llewellyn, who is taking up other business activities but will continue as a consultant to the group.

BUTCHINSON states that Mr. A. A. Helt is retiring from the position of managing director of the holding company of the Hutchinson group will be taken over by Mr. Charles Clark, who is already managing director of the book publishing division and will now become overall managing director. Mr. Jeremy Potter, a director of Hutchinson, has become deputy chairman.

Mr. Alexander Lockhart, sales manager of RHM Bakeries (Northern), Stockport, has been elected president of STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY.

Mr. Brian G. Hendley has been appointed a director of KRAUSHAAR AND EASIDE, market development consultants.

DALGETY LIMITED states that Sir William Vines, retired as a director, has been appointed chairman of Dalgety Australia and as a director of Dalgety New Zealand, but remains a director of Dalgety Australia. Mr. R. B. Vaughan has become chairman and managing director of Dalgety Australia.

Mr. Nick Rowe has joined LOWNDES-AJAX COMPUTER SERVICES as managing director. His appointment follows the acquisition of Lowndes-Ajax by the CIG Group.

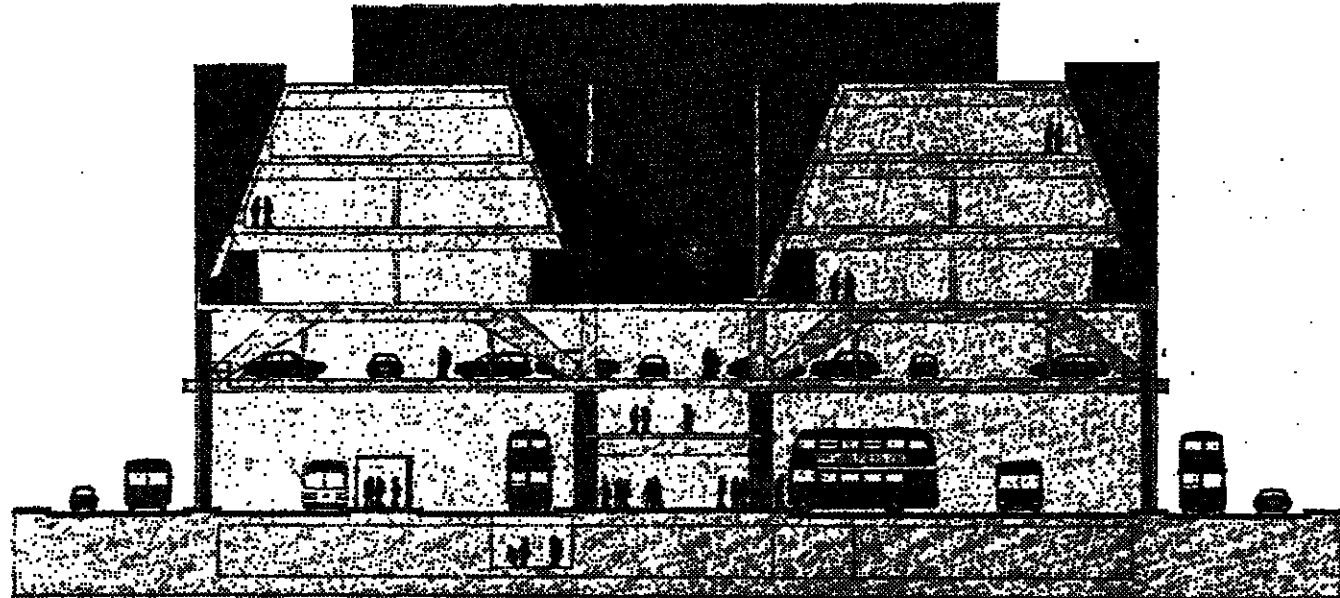
Mr. E. R. G. Clowes, chairman of Target Life Assurance, has been appointed to the board of RUME INVESTMENT COMPANY.

Mr. J. A. E. Baggett has been appointed as a non-executive director of C. E. HEATON AND CO. (LATIN AMERICA).

Mr. Richard Raynes has been appointed group marketing and communications manager of FOSTER BROTHERS CLOTHING COMPANY, the Solihull based group. He is also appointed marketing director of Foster Menswear, the group's main subsidiary.

SAVILLES has appointed Tony J. D. Mathias, sales director, Savilles as a partner in Brent Chemicals International.

Upper deck offices at lower deck cost



Greyfriars House contains a net area of 158 000 square feet, ideally situated on three floors above Northampton town centre Bus Station. Literally above it all—and available now.

The high specification offices are fully air conditioned and provide an unusual degree of quietness and tranquility for such a central location.

Compare £330 per sq ft with what you pay now!

Northampton is a mature established town on the M1, midway between London and Birmingham and a peak time inter-city rail service makes the trip to Euston in 55 minutes. Within 100 mile radius is 50% of Britain's industry and 57% of its population.

Northampton offers a wide variety of homes to rent and a choice of traditional or modern housing is available to buy at reasonable prices.

Come to Northampton and see for yourself.

We'll help you get here and show Greyfriars House, both from the ground and, if you like from the air as well. Pin this coupon to your letter head and send it to Leslie Austin-Crowe.

expanding
NORTHAMPTON

L Austin-Crowe
0604 34734

Northampton Development Corporation
23 Market Square, Northampton NN1 2EN

Name _____
Organisation _____
Address _____

0604 34734

IDENTIFIED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES (A)

| \$ billions | 1977 | 1978 | 1979 1st half | Q3 | Q4 | 1980 Q1 |
|--|------|------|---------------|------|------|---------|
| United Kingdom | | | | | | |
| British government stocks | — | -0.3 | 0.1 | 0.1 | 0.2 | 0.4 |
| Treasury bills | -0.2 | 0.2 | 0.4 | 0.2 | -0.6 | 0.6 |
| Sterling deposits | 0.3 | 0.2 | 0.3 | 0.4 | 0.7 | 0.8 |
| Other sterling investments(*) | 0.4 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| British government foreign currency bonds | 0.2 | — | — | — | — | — |
| Foreign currency deposits | 3.1 | -2.0 | 3.3 | 8.0 | 3.5 | 4.1 |
| Other foreign currency borrowing | — | — | — | — | 0.2 | — |
| | 3.8 | -1.8 | 4.3 | 8.8 | 4.1 | 6.0 |
| United States | | | | | | |
| Treasury bonds and notes | 4.3 | -1.5 | -1.9 | 0.3 | 0.5 | 2.1 |
| Treasury bills | -0.9 | -1.0 | 0.4 | 1.0 | 1.9 | 1.0 |
| Bank deposits | 0.4 | 0.8 | 0.5 | 0.7 | 3.7 | -0.7 |
| Other(*) | 5.3 | 3.0 | 0.5 | 0.3 | 1.0 | 0.7 |
| | 9.1 | 1.3 | -0.5 | 2.3 | 7.1 | 3.1 |
| Other countries | | | | | | |
| Bank deposits | 7.5 | 5.0 | 1.1 | 9.2 | 6.1 | — |
| Special bilateral facilities and other investments | 12.8 | 8.8 | 6.2 | 3.3 | 2.2 | — |
| | 20.3 | 13.8 | 7.3 | 12.5 | 8.3 | — |
| International organisations | 0.3 | 0.1 | -0.3 | -0.4 | 0.3 | — |
| Total | 33.5 | 13.4 | 70.8 | 23.2 | 19.8 | — |

(*) This table excludes liabilities arising from net borrowing and inward direct investments and also, on the assets side, changes in credit given for oil exports.

Nation's net assets last year increased to £4.3bn

THE overall net asset position of the UK rose to the rest of the world increased to £4.3bn at the end of last year from a revised figure of £2.5bn at end-1978, according to a special article in the Bank bulletin on Britain's external assets and liabilities.

The rise in the net asset position was largely because of the increase in the price of gold in the official reserves. The market value of this gold rose by £2.6bn during 1979, and this was the main factor behind a swing in the public sector's external position to net assets of £1.1bn from net liabilities of £2.5bn.

This shift more than offset a reduction in the net external assets of the private sector, which fell back from £5.05bn in 1978 to £3.2bn.

Last year's 9 per cent appreciation of sterling against the dollar had a beneficial effect on the UK's external balance sheet. As around half of Britain's assets, but two thirds of its liabilities, are denominated in dollars, the rise of sterling reduced external liabilities by at least £1bn more than assets.

Adding to the effect of the

rise in value of the reserves last year, official financing liabilities fell in 1979 as a result of repayments of official external debt. But excluding official financing items, the net external liabilities of the public sector rose by £700m last year, more than accounted for by very large purchases by overseas residents of British government stocks.

The deterioration in the external position of the private sector last year was wholly due to a sharp increase to £4.1bn in the net liability position of banks and commerce. Overseas sterling deposits with UK banks rose by £2.8bn or 48 per cent, and the banks' net foreign currency liabilities also increased by £1.0bn.

The book value of UK companies' direct investment abroad rose by 4.5 per cent, while that of foreign direct investment in the UK rose by 11 per cent. This reduced the UK's net asset position in this sector by \$400m to £5.7bn.

However, UK banks' net investment overseas, as well as portfolio investment on foreign markets, showed quite sharp

NET EXTERNAL ASSETS (+)/LIABILITIES (-): SUMMARY

| £ billions | End-years | 1976 | 1977 | 1978 | 1979 |
|---|-----------|------|------|------|------|
| Investment | | +5.6 | +5.0 | +5.5 | +7.3 |
| Banking and commercial | | -0.5 | -1.3 | -0.5 | -4.1 |
| Net external assets (+)/liabilities (-): summary | | +9.1 | +3.2 | +5.0 | +3.2 |
| Public sector (excluding reserves and other official financing) | | -3.8 | -5.7 | -4.8 | -5.5 |
| Reserves and other official financing | | -6.0 | +1.1 | +2.3 | +6.6 |
| Net external position of the public sector | | -9.8 | -4.6 | -2.5 | +1.1 |
| Total net external position of the UK | | -0.7 | -1.4 | +2.5 | +4.3 |

UK NEWS — PARLIAMENT and POLITICS

Highest bidder likely to take Ferranti

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT has not yet decided what advice to give the National Enterprise Board on how to dispose of the board's 50 per cent shareholding in Ferranti, the electronics company.

Sir Keith Joseph, the Industry Secretary, told the Commons last night.

Nevertheless, there was a strong hint in his speech that he favoured the holding being sold to the highest bidder.

"Beating the policy of the highest bidder in favour of some alternative, will not in itself guarantee the continued independence of Ferranti," he declared.

"The one option we do rule out is the option of leaving Ferranti with the NEB. Our scope for securing any particular outcome rather than another is limited. The degree to which any particular option will achieve any desired outcome is literally not known."

In a controversial speech, Sir Keith contended himself with stating the options open to the Government, but stressed that whatever course was taken, it would be difficult to stop a single bidder eventually securing con-

rol of the 50 per cent stake.

He indicated, however, that a reference to the Monopolies and Mergers Commission might be one way of preventing this happening.

Sir Keith also emphasised that the Government would not allow the NEB holding to be sold to a foreign company. It was prepared to use its powers under the 1977 Industry Act to prevent control of the company passing into foreign ownership.

The House was debating a Labour motion which stated that any sale of the board's stake which threatened the well-being of the company and its 17,000 employees would be contrary to the national interest.

The motion was defeated by a Government majority of 67 (240-307).

The Government put down an amendment welcoming the sale as soon as practicable having regard to the interests of the company and the taxpayer.

Mr. John Silkin, Shadow Industry Secretary, said that his party believed the NEB holding should be preserved.

"Market forces have failed and will continue to fail," he

said. "We on this side of the House believe that public investment should be expanded not curtailed."

"Suppose the best possible price were to come from one company, would the Government instruct the NEB to take that offer?" he asked.

"Suppose it were to come from a large combine like GEC whose name has been mentioned? Would the Government accept that as the best possible price?"

A takeover by a large combine would be an encouragement to closures.

Replying from the Government front bench, Sir Keith said that the Government favoured independence, dispersal of ownership, competition and freedom of choice. But it was not always easy to reconcile these objectives.

It had been suggested that it might be possible to sell half of the NEB assets and leave 25 per cent of the shares with the board. But ownership of 25 per cent by the NEB was no guarantee of the independence which the management and

work force of the company were seeking.

Others had said that the NEB shares should be sold in two stages with six to nine months between the sales. But this, he argued, would simply prolong uncertainty.

A procedure which might be considered was the degree to which any particular bid might be referred to the Monopolies and Mergers Commission. This would have to be assessed.

The Government had to bear in mind the interests of the taxpayer, the Ferranti family which owned 19 per cent of the shares, and the 31 per cent of shares which was owned by others, including individuals and institutions.

He listed possible options:—

1—The Government could invite the NEB to disperse 50 per cent of the shares widely by share offer. Inevitably that would have to be at a lower price than the current market level. One advantage would be that an advantageous offer of shares could be made to the employees of the company. But the disadvantage was that there would be more opportunity for

a single bidder to acquire control.

2—The NEB could be invited to place the shares without conditions. This would again inevitably be below the market price and the taxpayer would get less than if bids were considered for the company. The result would be that a bidder would almost certainly come along and offer for the shares and the company's independence would not have been preserved. So there was no particular advantage to this course.

3—If the NEB placed shares subject to conditions and a single institution or groups of institutions bought the holding, then—under Stock Exchange rules—they would have to bid for the remaining 31 per cent owned by others. This again would not guarantee the independence of the company.

"The more rigid the conditions the Government advised the NEB to impose, the lower the price would tend to be and the lower the price the more unhappy the 31 per cent of shareholders and the more scope there would be for bidders," he concluded.

LABOUR

Strike action looms at ICI as negotiations break up

BY PAULINE CLARK AND NICK GARNETT

ABOUT 22,000 white-collar staff in ICI will be told by their unions today to start industrial action following the breakdown of pay talks last night.

The call for action "which will include strikes" will come from the Association of Scientific, Technical and Managerial Staffs and TASS, the white-collar section of the Amalgamated Union of Engineering Workers, only a day after unions representing manual workers in the company announced acceptance of their latest pay offer.

The seven signatory unions in the manual workers' pay negotiations yesterday accepted a 16 per cent increase—similar to the offer made to staff—after the company said it was not

prepared to concede further improvements because of a difficult business position.

Mr. Roger Lyons, national officer representing ICI staff in ASTMS, said yesterday however that there had been "total and unanimous" rejection of the offer by the staff union negotiators.

This followed a four-to-one rejection of the offer in an ASTMS ballot of members conducted last week. The offer to technical, engineering, supervisory, administrative and computer staff in the company would have raised the salary range to between £4,000 and £8,500 a year, he said.

Mr. Lyons said a delegates meeting of staff would take place on June 28 to finalise

strike plans, but some action was expected to start immediately. "There is great anger among the staff—the worst in 15 years," he said.

ICI said yesterday it calculated the settlement covering 50,000 manual workers which runs from this month was worth 19.5 per cent, although union leaders say it is worth at least 21 per cent.

The deal gives an average 16 per cent increase on basic salaries on top of a 3 per cent interim increase made in January to compensate for inflation.

The present 40-hour week is being cut by one hour from June next year with another on hour reduction in 1983 and a further half hour in 1985.

Labour Right wing claims 'sell out'

By Richard Evans, Lobby Editor

THE LABOUR PARTY'S internal agonising over the recommendations of its Commission of Inquiry increased in tempo yesterday, with a claim from the Right-wing Campaign for Labour Victory that there had been "a complete sell out" to the Left.

The pressure group, backed by Right-wing MPs led by Mr. William Rodgers, Opposition Defence spokesman, claimed in a statement that the moderates had been outvoted on the three key issues of election of the leader, re-selection of MPs and the drafting of the manifesto.

In contrast, the Rank and File Mobilising Committee for Labour Democracy, a Left-wing pressure group, supported by friends of Mr. Anthony Wedgwood Benn, has written to all constituency Labour Parties calling for the rights and influence of activists to be maintained at this year's party conference following the unsatisfactory commission recommendations.

The two statements illustrate the sharply different interpretations being made by the two wings of the party over the inquiry decisions. The scene is set for a bruising conflict in the run-up to the October Blackpool conference.

The CLV declared that there should be no misunderstanding about the decisions taken last weekend.

"What we have seen is not an honourable compromise, it is a complete sell out. On all three major issues the moderate position has been defeated."

The statement claims that Left-wingers on the commission have played a clever game by standing out for a more extremist position. This has led the other members of the inquiry into proposing a so-called compromise which would be put to the annual conference, but which would be unacceptable to most members of the Labour Party.

The CLV urges the trade unions to take up the issue of reform of the National Executive Committee as a matter of urgency. Until there was a representative NEC the party would suffer endless running battles, year after year, the statement argues.

Soames warning on pay

BY IVOR OWEN

THE LEVEL of salary increases for civil servants in the next pay round will be determined by what the nation can afford—as reflected in the cash limits set by the Government—Lord Soames, Minister for the Civil Service, indicated in the House of Lords last night.

He called for a new approach to pay bargaining in both the public and private sectors, with settlements no longer linked with the level of inflation but the employer's capacity to pay.

Lord Soames, who is also Lord President of the Council and Leader of the Lords, virtually ruled out earlier suggestions that the Government intended to wind up the Civil Service Pay Research Unit.

But he insisted that means must be found to reconcile the awards stemming from the unit's work with the cash limits set by the Government.

Lord Soames, speaking in the wake of the announcement of the latest figures showing average earnings running at 21.2 per cent above the level of a year ago, repeatedly underlined the Government's concern

to secure more realistic settlements in the next pay round.

He saw the fact that the unusually large awards resulting from the "catching up" operations in the public sector were now in the past, as a hopeful factor as the opening of the new payment approached.

Lord Soames emphasised that a more responsible attitude to pay bargaining was essential if the country was to "pull through its difficulties."

He complained that the effect of the catching up process on the level of settlements in the public sector in the current pay round had been misrepresented by the media, and led to unfair criticism from private sector employers.

While it was right to subject the Pay Research Unit to a critical appraisal—and to consider whether new procedures should be introduced—it was unfortunate that this should have been interpreted in some quarters as a criticism of the Civil Service itself.

"The Civil Service is beginning to suffer from a lowering

of morale which is wrong and should not be happening," Lord Soames declared.

He maintained that those, like himself, who had had the opportunity to make comparisons with the Civil Service of other nations while working in international organisations could not fail to appreciate how well Britain was served by its Civil Service.

Lord Soames repeatedly assured the House that the Government's concern to secure more realistic settlements in the next pay round was not confined to the public sector.

In the private sector, he said, employers and unions must heed what each company could afford to pay, taking into account the Government's determination to bring the money supply under control.

Failure to do so would mean a squeeze on profits and investment and fewer jobs either in the short term or the long run.

In the public sector, Lord Soames promised, the Government would impose similar financial discipline through the use of cash limits.

He said that the Government was determined to bring the money supply under control.

Doubts on future of Civil Service Department

By Philip Bassett, Labour Staff

SIR ROBERT ARMSTRONG, Secretary to the Cabinet, has told the Civil Service Department that the work ought to be taken over by the Treasury. He also yesterday laid out the main strands of Government thinking on the future role of the CSD, which could lead to major changes in the responsibilities of the Treasury.

Though Sir Robert has made it clear in Whitehall that it is his personal view that the CSD's work ought to be passed over to the Treasury, it is unlikely that his views would be of line with those of the Prime Minister.

Sir Robert's private suggestions give firm support to Whitehall speculation that the CSD is to be abolished because of the Government's dissatisfaction over its failure to pursue rigorously enough the goal of Civil Service efficiency.

The switching of the CSD's function of controlling manpower levels back to the Treasury—the CSD was created mainly from the old pay division of the Treasury in 1968 following a report of the Fulton Committee on the Civil Service—would add the much greater force of the Treasury's control and monitoring of departmental budgets to the Government's drive to reduce civil service overmanning and increase its efficiency.

Thirdly, the manpower and management services division of the CSD would be brought back into the Treasury, leaving the rest of the CSD's functions to a public service commission, which might not necessarily be headed by a Cabinet Minister.

Finally, the Treasury could re-embrace the CSD's present functions. He said this would re-create "a very considerable concentration of power for the Treasury, particularly at Ministerial level."

While he said that this option would have the disadvantage of losing the gains of the post-Fulton split, Sir Robert's work, the whole tenor of his evidence to the committee was that whatever gains there had been since the split they were now of very little value.

He thought the post of Head of the Home Civil Service, presently held by Sir Ian Bancroft, who along with Sir Douglas Hoare, Permanent Secretary to the Treasury, will next month give evidence to the committee on the role of the CSD, need not necessarily be retained.

Sir Robert told a sub-committee of the Commons Treasury and Civil Service Committee that the present role of the CSD was unsatisfactory.

Though he insisted that his statements reflected only his personal views, it is the first time such a senior civil servant has spoken publicly on the future role of the CSD.

He said the CSD "had clearly exhausted the immediate post-Fulton momentum." He referred a number of times to his belief that questions of management in the service had ultimately to be decided by departmental Ministers rather than by any central body which had no departmental financial control.

He put forward four options for the department's future.

Firstly, the present position could be maintained, but with greater co-ordination between the Treasury and the CSD, and greater CSD flexibility. This seemed to be his least favoured choice.

Secondly, the manpower and public expenditure responsibilities of both the Treasury and the CSD could be peeled away from both departments and joined together to form a new Department of Expenditure and Manpower, or Bureau of the Budget, though he said this would have the disadvantage of removing the control of public spending from the department with responsibility for macro-economic management.

Thirdly, the manpower and public expenditure responsibilities of both the Treasury and the CSD could be peeled away from both departments and joined together to form a new Department of Expenditure and Manpower, or Bureau of the Budget, though he said this would have the disadvantage of removing the control of public spending from the department with responsibility for macro-economic management.

Finally, the present position could be maintained, but with greater co-ordination between the Treasury and the CSD, and greater CSD flexibility. This seemed to be his least favoured choice.

Secondly, the manpower and public expenditure responsibilities of both the Treasury and the CSD could be peeled away from both departments and joined together to form a new Department of Expenditure and Manpower, or Bureau of the Budget, though he said this would have the disadvantage of removing the control of public spending from the department with responsibility for macro-economic management.

Finally, the present position could be maintained, but with greater co-ordination between the Treasury and the CSD, and greater CSD flexibility. This seemed to be his least favoured choice.

Secondly, the manpower and public expenditure responsibilities of both the Treasury and the CSD could be peeled away from both departments and joined together to form a new Department of Expenditure and Manpower, or Bureau of the Budget, though he said this would have the disadvantage of removing the control of public spending from the department with responsibility for macro-economic management.

Finally, the present position could be maintained, but with greater co-ordination between the Treasury and the CSD, and greater CSD flexibility. This seemed to be his least favoured choice.

CU awards its staff 18%-22% increases

BY NICK GARNETT, LABOUR STAFF

THE Commercial Union insurance company has agreed a pay deal for its 7,500 clerical and junior managerial grades giving increases of 18-22 per cent with a further 5 per cent in December.

The settlement, which runs from June 1, follows an interim 5 per cent payment made in November, 1979, supplementing last year's main agreement of 12 to 15 per cent.

The company said yesterday that as a result of the deal concluded with the Commercial Union staff association, its pay bill for the 12 months from this month would rise by 23.5 per cent.

The settlement was designed to restore partly eroded differentials for insurance staff whose pay had failed to keep up fully with the rate of inflation over the past few years.

Senior managers at the company have also agreed a pay deal providing increases of 22-25 per cent together with the 5 per cent increment in December.

Mr. John Smith, general secretary of the Commercial Union staff association, which represents 5,500 clerical and junior managerial staff, said the agreement was higher than the general level of settlements in

insurance.

He said, however, that the association might wish to return for extra money before December if inflation kept at the present level.

The agreement provides a new rate of £2,277 for the most junior filing clerk rising to about £14,900 for sales or claim managers in large branches who are immediately below the salary scale of branch and senior head office managers.

These figures exclude the inner London weighting payment of £816 which will be renegotiated next month.

The payment made after 25 years' service will be doubled to £140. The current one-off payment of £250 after 35 years' service is being replaced by one worth 5 per cent of salary at a minimum of £400.

Industrial action over pay by members of the Association of Scientific, Technical and Managerial Staffs within the Legal and General has now spread to most of the company's 64 offices.

The company said yesterday that the action, which includes a ban on the use of the telephone for general insurance work, had begun to slow up its business.

Shop stewards are losing influence, says Prior

BY CHRISTIAN TYLER, LABOUR EDITOR

MILITANT SHOP stewards are losing their influence in Britain, Mr. James Prior, Employment Secretary, told an audience of U.S. businessmen yesterday.

He said management was developing a new authority, and unions were responding with a new realism. Power was moving back to full-time union officials as managements "called the bluff" of the militants.

This was welcome to the vast majority of full-time officials, particularly at regional level. "They won't ever say it, but they know that a resurgence of management that clearly knows what it is about is the best support they can have against the militants," he told the Business

and Industrial Community of South Carolina at South Carolina University.

This change was not just the result of recession and fear of unemployment, Mr. Prior suggested, but probably because the "facts of life" were being brought home to companies.

Managers with their "new self-confidence" were more determined to put the facts across. "The Employment Secretary said that pressure for industrial democracy had also weakened. "Employees, it turns out, don't really want to be pulled into detailed decision-making; rather they want to be convinced that those in managerial authority are up to their job."

TUC yearbook inquiry

BY OUR LABOUR STAFF

THE TUC said yesterday it would be asking the publisher of its industrial relations yearbook about claims that he and four associates made large sums of money selling advertising space and used high-pressure salesmanship on companies who advertised or contributed.

A statement from Congress House, in reply to a detailed report in yesterday's Daily Express, said: "As acknowledged by the Daily Express, the TUC had already taken action to initiate inquiries into the allegations they have made."

Letters have been sent to 49 companies quoted in the directory as having given "assistance." These letters, said the TUC, set out the arrangements for publication but were not an apology.

The TUC said it would be asking the publisher, Mr. Dennis Moore, an Australian businessman, for his detailed comments on the allegations. Its chief spokesman refused to add in any way to the short statement.

The yearbook of industry and services for 1979-80 contains 424 pages of names and addresses of organisations and other information that might be useful for people involved with industrial relations. It is also packed with advertisements.

According to the Express report, the £10 directory raised some £17,000 for the TUC last year and as much as £170,000 minus costs for the publisher, who struck a deal giving the TUC 10 per cent of the revenue.

The TUC confirmed last night that it had had a number of complaints from members approached by the publishers in August 1978 about the first issue. They complained about "high-pressure salesmanship."

"The TUC assured us that high-powered salesmanship would not continue and we advised our members that it was for individual companies to decide whether to advertise."

"There had been no complaints ahead of publication of the second issue, which has not yet appeared."

Payment strikes continue

BY OUR LABOUR STAFF

STRIKING ELECTRICIANS at Metro-Cammell, the Birmingham rail-car manufacturer, meet today to consider their next move in a three-week-old dispute over bonus payments.

The strike by 150 electricians caused the layoff last Friday of the rest of the 15,000-strong workforce because of a buildup of unfinished cars.

Yesterday, at Vosper Thornycroft's Southampton shipbuilding yard, a mass meeting of strikers decided to stay out until

at least tomorrow, when another mass meeting will be held, following failure of talks to solve a dispute.

The dispute is over payments to about 20 plumbers transferred to the yard under a national agreement between British Shipbuilders and the Confederation of Shipbuilding and Engineering Unions.

The company, a British Shipbuilding subsidiary, said yesterday that about 1,700 of its 2,500 workforce were on strike.

Journalists at IPC face new conflict

By John Lloyd, Labour Correspondent

THE long-running battle over journalists' pay at the International Publishing Corporation (IPC) swerved towards outright confrontation again yesterday as a mass meeting of the 1,400 journalists in the company's magazine, business press and book publishing divisions rejected the company's latest offer and empowered the National Union of Journalists' chapel (office branch) committee to take selective industrial action.

The company has raised its offer from 17 per cent to 19.1 per cent for lower grades, and 18.1 per cent for higher grades. It has made proposals on conditions of work and subsidiary benefits.

The chapel committee is to seek a further meeting with IPC management before deciding whether to call for selective action. Any action must include one-day strikes, mandatory chapel meetings, and a ban on overtime and freelance work.

Both sides are thus back in the position they held in April, when pay talks broke down, a one-day strike was called, and the journalists were dismissed for five weeks while talks continued between union and management, first on pay, then on the conditions for the journalists' reinstatement.

A formula on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that if cannot afford to increase its offer, but on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

UK to get EEC rebate in cash

BY PHILIP RAWSTORNE

BRITAIN will be paid all its rebate on the contribution to the EEC's 1980 budget in cash, Mr. Nigel Lawson, Financial Secretary to the Treasury, told the Commons yesterday.

The bulk of the money due would be paid in the first quarter of 1981, he said.

But, under pressure from Mr. Denis Healey, the former Chancellor, Mr. Lawson said that it was impossible to estimate how much the public sector borrowed in 1980 would be reduced by the refund this year.

Replying to questions from Mr. Jack Straw (L., Blackburn), Mr. Lawson said that part of the rebate would be in the form of Community assistance to help

finance Government programmes rather than specific projects.

He assured Mr. Nigel Spearling (L., Newham S): "These are our programmes, not Community programmes, in so far as the regional fund is a Community programme."

Mr. Lawson was repeatedly pressed by Mr. Healey about the Prime Minister's pledge to use the refunds to cut interest rates by reducing the PSBR.

If all the rebate for 1980 was not going to be paid this year and some of it was to be used to finance various programmes, Mr. Healey suggested it could have little or no impact on interest rates.

"It is not customary to publish any interim figures for the PSBR," Mr. Lawson retorted.

But by reducing the PSBR, a downward pressure would be exerted on interest rates, he added.

Mr. Healey accused him of "dodging and weaving" the fact was that the reduction in the PSBR because of the rebate would be far less than the increase caused by Government action since the Budget, he declared.

"It is impossible to say at this stage by how much the PSBR will be reduced," Mr. Lawson replied.

budget and negotiations on fisheries policy, he said. The Government had inherited a position from Labour where there was no agreement for access to New Zealand dairy products to Europe beyond December, 1980.

"I am shocked that you will speak up for New Zealand at all," he said.

"The Labour Party is alone in Europe in believing that the deal struck by Britain was not an exceedingly good one."

Mr. Walker said he personally believed that the negotiations on sheepmeat and dairy products would result in a satisfactory agreement for New Zealand.

He told Liberal spokesman Mr. Jo Grimond, who asked whether any progress had been made on the dumping of fish, that an announcement would soon be made concerning imports.

Replying to further questions, Mr. Walker said he would be having a further meeting with representatives of the fishing industry on July 3 to make an assessment of its financial and economic problems.

There was no link between agreement reached on the EEC

Prizes for Mr. Walker to "come clean" on the timing of fisheries policy and on whether the whole budget deal would be off if no agreement was reached on fish by January, 1981.

Mr. Mason said the New Zealanders were the "losers of the Sheepmeat deal with the French" and urged Mr. Walker to say whether he would stand by them if they refused to curb lump exports to Britain and would the cutback of total butter exports from 115,000 tons to a proposed 90,000 tons.

Mr. Walker, who had made a statement on meetings of the Fisheries and Agriculture Councils in Luxembourg on Monday and Tuesday, hit back strongly.

| EUROPEAN OPTIONS EXCHANGE | | | | | | | | | |
|---------------------------|------|-----------|------|-----------|------|-----------|----------|--|--|
| Series | Vol. | July Last | Vol. | Oct. Last | Vol. | Jan. Last | Stock | | |
| ABN C F.300 | 5 | 6 | 3 | 10 | | | F.296 | | |
| ABN C F.310 | 10 | 2.50 | 1 | 1.70 | | | F.296 | | |
| AKZ C F.28 | 150 | 0.50 | 32 | 1.70 | 42 | 2.20 | F.24.50 | | |
| AKZ C F.27.50 | | | 12 | 0.70 | | | F.24.50 | | |
| AKZ C F.27 | | | 12 | 0.50 | | | F.24.50 | | |
| AKZ C F.27.50 | 12 | 3 | | | | | F.65.60 | | |
| ARS C F.60 | 16 | 5.80 | | | | | F.65.60 | | |
| ARS C F.60 | 16 | 5.80 | 5 | 5.80 | | | F.65.60 | | |
| BEK C F.90 | 15 | 2.30 | | | | | F.69.40 | | |
| BEK C F.90 | 10 | | 3 | 2 | | | F.69.40 | | |
| BEK C F.90 | 10 | | 3 | 2 | | | F.69.40 | | |
| BO C F.17.50 | | | 20 | 1.30 | | | F.15.70 | | |
| IBM C F.85 | | | | | | | F.59.4 | | |
| IBM C F.85 | 41 | 13 | | | 5 | | F.59.4 | | |
| IBM C F.85 | | | 45 | | 14 | | F.59.4 | | |
| KLM C F.60 | 45 | 5.50 | | | | | F.61.80 | | |
| KLM C F.70 | 5 | 0.60 | | | | | F.61.80 | | |
| KLM C F.80 | | | 66 | 1.10 | | 4.20 | F.61.80 | | |
| KLM C F.90 | | | 10 | 5 | | | F.61.80 | | |
| KLM C F.70 | | | | | | | F.61.80 | | |
| KLM C F.80 | 13 | 15.70 | 2 | 10.60 | | | F.114.50 | | |
| NAT C F.104.20 | 10 | 9.20 | | | | | F.114.50 | | |
| NAT C F.104.10 | 48 | 5.40 | | | | | F.114.50 | | |
| NN C F.110 | | | | 0.70 | | | F.114.50 | | |
| NN C F.120 | | | 80 | 2.50 | | 4.50 | F.114.50 | | |
| NN C F.110 | 2 | 1 | | | | | F.114.50 | | |
| PET C F.5500 | 2 | 400 | | | | | F.5520 | | |
| PET C F.5500 | 6 | 20 | | | | | F.5520 | | |
| PET C F.5500 | 6 | 20 | | | | | F.5520 | | |
| PHI C F.17.50 | | | 19 | 1.50 | | | F.16 | | |
| PHI C F.17.50 | 54 | 0.10 | 38 | 0.40 | 20 | 0.90 | F.16 | | |
| PHI C F.17.50 | | | | | 15 | 2.20 | F.16 | | |
| PRD C F.80 | 5 | 47 | | | | | F.82.4 | | |
| PRD C F.80 | 25 | 7 | | | 10 | | F.168.30 | | |
| RD C F.120 | 13 | 18 | | | | | F.168.30 | | |
| RD C F.120 | | 2.50 | 97 | 11 | | | F.168.30 | | |
| RD C F.120 | | 2.50 | 138 | 0.70 | 28 | 7 | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | | | | | F.168.30 | | |
| RD C F.120 | | | </ | | | | | | |

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

TRANSPORT

UK-U.S. hovercraft project

A HOVERBARGE drilling rig with paddle wheel propulsion is planned to enter service next year in the U.S. south-western wetlands (bayou country) in Louisiana and the coast along to Texas) as one of a series of ventures planned by a new international corporation which draws strongly on British design engineering and operating experience in the hovercraft field.

Known as the Wetlands Drill Barge System, it will be designed in the UK and built in the U.S., and a number of key equipment items, such as the skirt and fans, will also be designed and made in Britain, says Phoenix Hovercraft Corporation, 5 Grosvenor Square, Southampton (0703 36430).

Development of hovercraft drilling barges is expected to open up many potentially rich hydrocarbon payzone areas where inter-tidal or swamp conditions make the use of conventional drilling equipment difficult or impossible.

In the U.S., for example, exploration work in many of the south-western wetlands areas is severely restricted by the problem of transporting drilling equipment to site. Access to these areas is often made difficult by the need to dredge canals or construct fill and board roads. These take time and limit flexibility.

The problems can be overcome by using hovercraft drill systems whose completely equipped drill rigs are transported direct to location without requiring access by specially dredged waterways or built roads.

INSTRUMENTS

Measures waste water flow

INCREASINGLY, organisations that drain effluents into sewers or other outlets are having to pay accordingly and there are EEC requirements, albeit modified and interpreted by national legislation (the Water Act 1974 in the U.K. for example).

Thus the need arises to measure waste water flows reliably and accurately and Quantum Sciences of Cheltenham has introduced a suitable instrument, QSFME.

An early market is expected to arise in the Mediterranean countries where there have been international agreements to reduce sea pollution levels. This equipment measures flows in partially filled pipes and open channels by means of a probe electrically connected to a portable electronics/display box. The probe measures flow by measuring the depth change on the downstream side when a known obstruction is placed in the fluid. It consists of 20 vertically staggered contacts that result in an accuracy of flow measurement of ± 2.5 per cent. Calibration takes a few seconds and involves entry of a three-digit number, derived from a handbook, on thumbwheel switches.

The instrument indicates flow rate and total flow directly on liquid crystal displays on the front panel and the maximum flow that has been reached can be seen by pressing a button. In addition flow rate limits may be set and the unit will then count the number of times the limit has been exceeded. Rates in terms of litres per hour or per day can be switched selected for display.

The usual current signals for driving recorders are provided, as are relay closures that will activate a sampler (for analysis purposes) on a volume or time basis.

More from the company at 27 St. George's Road, Cheltenham, Glos. GL50 3TD (0242 33220).

MATERIALS

Anti-rust treatment for trucks

COMMERCIAL VEHICLES at Ford's new painting plants at Southampton and Langley in the UK and Genk in Amsterdam are undergoing treatment in an £8.5m anti-corrosion programme based on cathodic electrocoat supplied by International Paint, Henrietta House, 9 Henrietta Place, London W1 (01-580 6677).

The Southampton facility with its 300,000 litre tank is believed to be Europe's largest cathodic installation and over the next year more than 175,000 Transit, A-Series, D-Series and Transcontinental will be primed with the International ED 3002 process.

The material is being supplied by International Paint (which claims to be Britain's biggest supplier of cathodic electrocoat) under licence from PPG Industries in America who developed the process after 15 years research.

Since 1976, virtually all Ford and General Motors electrocoat tanks in the U.S. have converted to the PPG material and it has been adopted by companies on the Continent, and other countries, including Japan, Canada and Australia.

When compared with conventional anodic electrocoat at the same film thickness, cathodic is said to more than double corrosion protection. Also, throwing power (the paint's ability during application to reach critical interior areas) is increased by about 50 per cent.

The protective qualities of cathodic electrocoat were proven by the company after exhaustive trials which included a new accelerated test simulating five years of customer operation in four months.

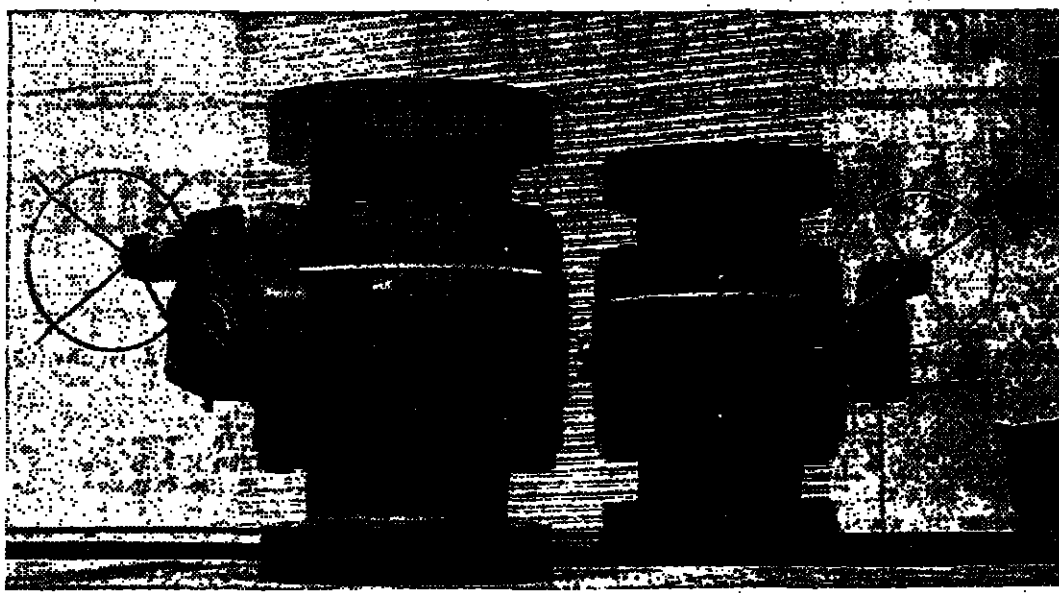
To prepare for this severe test, a vehicle is driven over rough gravel to damage the underbody paint—then salt splash, salt spray and a salt/mud bath build up a corrosive layer of salt-impregnated mud on the underbody.

Test itself consists of 60 one-day cycles during each of which a vehicle spends 23 hours in a special chamber where the temperature is 50 degrees C. and the relative humidity 98 per cent.

For the remaining 14 hours it is continuously driven around a circuit which has a dirt road, a salt highway and a salt spray. In addition, the vehicle goes through the salt/mud bath again every three weeks.

Demonstration centre in which companies can test both cathodic and anodic is at Ladywood, Birmingham, says International Paint who opened the first UK plant for the production of cathodic electrocoat last year.

As well as the motor industry customers include car manufacturers, such as Edward Rose (Birmingham).



These two 24-inch ball valves have been produced by Keystone Cannon of Leven, Fife, Scotland, for the Sonatrach gas pipeline now under construction in Algeria. The valves are the largest of the

type produced by the company, each weighing 12 tons and having overall dimensions of 77 1/2 ins by 48 ins. Principal materials used were carbon steel and stainless steel.

COMPONENTS

New electronic system displays

CLAIM MADE by Finnish company Lohja Corporation is that following six years of research, it will become the first to commercially offer display components based on electroluminescence.

Or Lohja Ab is a diversified industrial company with a turnover of \$300m and is well known for colour television receivers, in which it has achieved sales of \$70m, mostly exported.

The new devices, to be marketed under the name Finlux, will be mass-produced in Finland "during the coming year" and the main emphasis will be on supplying the components to international electronics companies.

At the heart of the manufacturing technique will be a new thin film fabrication method the company calls atomic layer epitaxy, which involves "growing" the film by depositing separate layers of atoms on a substrate. The technique has already been patented in 26 countries.

The displays are composed of films less than one thousandth of a millimetre thick, of an undoped substrate, formed on a glass substrate. The films emit light uniformly when a voltage (undisclosed but described as "rather high") is applied to them, and they can be deposited to produce alpha, numeric or graphic symbols.

Resulting yellow display on a

black background is said to be visible in high ambient lighting conditions and have particularly good contrast. There is no flicker and the angle of viewing can be high, giving good off-axis visibility. Although no dimensions have been revealed, the displays are said to be particularly thin, making their incorporation into electronic systems that much easier.

Likely applications will occur in computer terminals, industrial instruments, car dashboards, clocks and shop scales, as well as large scale units at railway stations and airports.

More from Oy Lohja AB Electronics, Ahertantie 3, 02100 Espoo 10, Finland.

No strain on big motors

SMOOTH, STEPLESS starting for AC induction motors in the 50 to 600 horsepower range can be obtained with solid-state reduced voltage starters from Cutler-Hammer Europe, Irganic Works, Bedford MK42 9LH (0234 87433).

Advantages of using the device, which is designated A415, include controllable current demand during starting, extension of machine life through reduction of mechanical shock during acceleration, and where the acceleration rate has to be controlled, elimination of the need for the more expensive adjustable speed drives.

Motor speed controller agreement

INDUCTION MOTOR speed control units made by Eldurall in The Netherlands, applicable to motors in the one to 300 kilowatt range, are to be made available in the UK by Manchester Armature under a recently concluded agreement.

Versions of these units have been extensively used in Dutch industry since 1973 and in the last five years been selling well in the Swiss, German and French markets.

There are two basic versions: the FC-1-CL has front panel control of speed in one direction only while at the rear are master controls for frequency, slip correction and IR compensation, and selection of current and time conditions for acceleration and retardation. Another model, FC-3-CL is similar but allows speed control in both directions.

All the units can be controlled from a remote location.

More from Manchester Armature, Hadfield Street, Oldham OL8 3BY (061-652 1421).

Diesel engine filters

LISTER has launched its own brand of air, oil and fuel filter elements for the company's entire range of 2.5 to 250 bhp diesel engines.

It was decided to carry out a stringent quality and performance survey after reports from the company's world dealer network of engine problems which had been traced back to faulty or poor filters. The problems were found to involve filters not approved by Listers, but fitted by users to try to cut costs.

One of the latest incidents reported to Listers involved an engine which had completely

seized up. A non-approved oil filter had ruptured, causing a heavy oil loss which, in turn, had damaged the internal moving parts of the engine.

This has prompted the company to point out that major problems experienced by some customers following the use of spurious filter elements have been very much more costly to them than the marginal price difference in choosing Listers filters.

Hawker Siddely Group, 32 Duke Street, St. James's, London SW1Y 6DG. 01-930 6177.

SECURITY

Protecting Heathrow's fuel store

NEXT MONTH Automation and Technical Services of Hayward Heath is to provide one of its model 1100 frequency shift keying equipments to protect all the long hand fuel hydrant stands connected to the storage and pumping depot at Heathrow Airport.

There will be dual communications circuits between hydrants and pumping station with twin transmitters and receivers feeding different tones down each line. The integrity of each can be checked continuously and independently.

In the event of an equipment fault being detected the carrier frequency is shifted down by 30 Hz, operating an alarm panel at the depot. In an emergency the manual operation of any of the break-glass devices adjacent to each hydrant affords the carrier frequency up by 30 Hz, immediately shutting down all fuel pumps at the airport.

Aviation division of BP Oil, which is installing the equipment on behalf of all major suppliers at the airport, expect faults to be rectified much more quickly—a matter of some significance financially when pumping 7,000 gallons/min at current prices.

ATS is at Bridge Road, Hayward Heath, Sussex RH16 1TY (0444 52377).

SERVICES

Inspection and testing

SOLUS SCHALL is offering from its Matlock training centre various non-destructive testing (NDT) inspection courses to personnel in the oil and gas and petrochemical industries.

The courses available, ranging from three to 10 days duration, include welding inspection for pipelines and pressure vessels, radiography, ultrasonics and underwater Lloyd's approval.

Solus Schall, Annabelle House, 28 Staines Road, The Houslow, Middlessex. 01-572 4221.

CUBITS

known for quality

Holland, Hannen & Cubitts Limited

HANDLING

Copes with abrasive slurries

A ROTARY disc pump designed to move with maximum efficiency the abrasive and highly viscous slurries usually transported by screw conveyors has been introduced by Eureka Pumps International Inc., Hesketh House, Portman Square, London, W.1 (01-486 5677).

Smooth flow combined with minimum turbulence is claimed to be an integral design feature, resulting in greater durability, less down time and low maintenance costs. Since there are no rotating impeller surfaces to disturb the flow, cavitation—air pockets—is substantially reduced.

The disc design is the result of two patents by Schneider and Tesla. Development over the past five years has made the pump a potential replacement for conventional equipment in moving viscous and abrasive slurries.

The slurry is fed into the pump through the centre of the rotor and impelled centrifugally by a series of parallel discs, which can be of stainless steel or ceramic coated steel. Dynamic flow pattern is created by the friction of the fluid on the spinning discs. There is little "slinging action" on the fluid, it is claimed, and therefore little wear on the discs or the cast steel housing.

The "building block" concept of the rotor allows the size of pump to be moved different materials by varying the number of rotating discs or spacing them to suit the characteristics of a particular material. The pump is available in three standard sizes—3, 4 and 6 inch.

The unsecret of our success



Friendly and efficient service in a dynamic economy is the winning combination that assured our growth into a city bank of Japan. And now we're developing into an international financial complex.

Perhaps more than any other Japanese bank, Saitama offers its customers the full benefits of its vigor and vision. The vigor that has made it one of Japan's fastest growing major banks. And the vision of a bank that never forgets people are people.

The Japanese bank that helps you grow

SAITAMA BANK

HEAD OFFICE: URAWA, SAITAMA PREF., JAPAN

• TOKYO BRANCH OFFICE, INTERNATIONAL DEPT., 6 FLOOR, BUNDO BUILDING, 1-1-1, Nishi-Shinjuku, Shinjuku-Ku, Tokyo 160

• LONDON BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• FRANKFURT BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• SINGAPORE BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• HONG KONG BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEW YORK BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• SAN FRANCISCO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• LOS ANGELES BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• SAN DIEGO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• PHOENIX BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• SEATTLE BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• PORTLAND BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• DENVER BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• MINNEAPOLIS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• CHICAGO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• ST. LOUIS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• KANSAS CITY BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• CINCINNATI BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• CLEVELAND BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• PITTSBURGH BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• PHILADELPHIA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• WASHINGTON BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• BALTIMORE BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• BOSTON BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEW JERSEY BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• CALIFORNIA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• TEXAS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• FLORIDA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• ALABAMA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• MISSISSIPPI BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• LOUISIANA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• ARIZONA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEVADA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• IDAHO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• MONTANA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• WYOMING BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• UTAH BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• COLORADO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEBRASKA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• KANSAS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• OKLAHOMA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• TEXAS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEW MEXICO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• ARIZONA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEVADA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• IDAHO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• MONTANA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• WYOMING BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• UTAH BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• COLORADO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEBRASKA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• KANSAS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• OKLAHOMA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• TEXAS BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEW MEXICO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• ARIZONA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEVADA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• IDAHO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• MONTANA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• WYOMING BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• UTAH BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• COLORADO BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

• NEBRASKA BRANCH OFFICE, 100 Old Broad Street, London EC2N 2AR, U.K. Tel: 01-580 6677

If you haven't seen the ERF truck you want, we'll get it for you—fast!

Now the trucks you want, when you want them. ERF, acknowledged as Britain's best all-round truck. Low profile cab, complete with moulded fire-resistant SMC glass fibre panels mounted on a powerful, rust-resistant steel safety cage. Well proved major components making up a choice of engine, gearbox and axle units.

Top economy, superb reliability. As an all-value all rounder, the ERF hasn't a rival. And they're now more easily available than ever before.

To view these superb trucks first hand, write or telephone ERF at Sandbach for the name of your nearest ERF distributor.

And even if the ERF truck you want isn't there, we'll get it for you—fast!



ERF Trucks

ERF Limited, Sun Works, Sandbach, Cheshire, CW11 9DN Tel: Sandbach (093 67) 3223

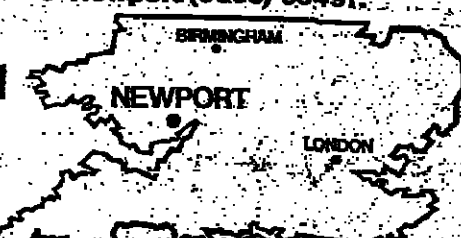
Getatable

Work it out. The vital part of your communication with the rest of the world is the distance from 'goods outward' to the transport networks. Look at Newport. No site in Newport is more than 10 minutes from motorway, railhead (125 to Paddington) or docks. The airport is 30 minutes down the road. We've industrial sites large and small for immediate development.

Our labour relations are excellent. Many household names are already profitably based here. Backed by the support of local authority, support and Central Government financing you'd expect. Enjoying the living environment that you wouldn't. For full details—fast—contact Steve Wehrle (Dept. F.T.) The Civic Centre, Newport, Gwent. Telephone Newport (0633) 65491.

NEWPORT

The 10 minutes from anywhere town.



THE MARKETING SCENE

No fun from the EEC

BY IAIN MURRAY

THE WHOLESOME question of self-regulation in the advertising industry has been stirred up again in recent years that it has come to seem more like self-flagellation. And, earlier this week, a group of sombre faced admen were at it again. Lured by a "Blood-curdling brochure," "Advertising Controls: New Law and More to Come?", they gathered at the Hilton Hotel, Park Lane, fully prepared to hear the worst.

The organisers of the event, Oyez IBC, seemed in no doubt that the question mark in the title of the seminar was superfluous. "Greater legal control of advertising is now inevitable," ran the blurb. "Can the self-regulatory system survive? How will the advertising industry fare during the coming decade in the face of such legal hostility?"

So the stage was set for a spine-chilling melodrama, and the principal players duly gave of their best. The audience was by turns enthralled, horrified, and reassured. For the news, it seems, is both good and bad. The chief provider of comfort was Mr. Peter Thomson, director general of the Advertising Standards Authority, who said that although the business had from time to time been the object of miscellaneous attacks from quarters which ought to have known better, further legislative initiatives were not a threat to the preservation of western civilisation as we know it.

The advertising business should neither over-estimate the threat posed by statute, nor underestimate the abiding strength of self-regulation. Indeed, added Mr. Thomson, self-

regulation is now generally accepted as an indispensable element in any practical scheme for the control of advertisement content in the United Kingdom. Proof of that was to be found in the conclusions of both the Office of Fair Trading's "Review" of November 1978, and the "Report" of the Department of Trade's Working Party which appeared earlier this year.

"So the contention for which I and others have long argued is now the official wisdom," said Mr. Thomson. "Effective advertisement control requires both legal and self-regulatory inputs. If they are designed deliberately to complement one another rather than allowed merely to develop and function in parallel, the total in terms of effectiveness, of law and self-regulation working together will be greater than the sum of the constituent parts. Greater in terms of speed, clarity, scope and cost."

But, not wishing to leave his audience on such a cosy note, Mr. Thomson concluded with a reminder of the lurking presence of a genuine menace. "There is," he said, "a threat that ought to make your blood run cold far more than the threat of drawing lines between voluntary and statutory controls."

That grim reference was to the EEC's draft Directive on Misleading and Unfair Advertising, a spectre consummately conjured up earlier in the day by Dr. Richard Lawson, senior lecturer in law at the University of Southampton.

The directive, which will come before the Council of Ministers for approval within the next 12 months, requires

member states to "adopt adequate and effective laws against misleading and unfair advertising." About 75 per cent of the directive was already covered by UK law, said Dr. Lawson. But the 25 per cent that was not could well cause considerable upheaval if implemented in its present form.

"To begin with," he went on, "member states will have to provide 'persons affected' as well as 'associations' with a legitimate interest in the matter' with quick, cheap, and effective facilities for taking action against offending advertisements."

"Persons affected" can include not just consumers who have been misled by unfair advertising, but also competitors who have lost custom by another's illegal tactics. Consumer groups will no doubt come under the head of 'associations' with a legitimate interest."

And that, said Dr. Lawson, was a ripe field for problems if ever there was one. "If any old consumer group can whizz off to court, or if competitors try to take advantage of the law by getting stuck into legitimate advertising that is affecting their business, it will become impossible to run any advertising campaign."

Nor, he added, is the directive in its present form compatible with the UK's system of voluntary controls. Member states will be allowed to make provisions for actions to be brought before "an administrative body" with adequate powers, rather than involve the courts, but it had been made clear in Brussels that Britain's Advertising Standards Authority would not qualify.

Moreover, apart from introducing procedures alien to the British system, such as class actions and corrective advertising, there was a danger that the directive would strike at the heart of the UK's favourite promotional device—humour.

Earlier, Mr. Philip Circus, legal adviser to the Institute of Practitioners in Advertising, had read out one of the more curious letters received by the ASA.

The writer had complained about the advertisement for Heineken lager depicting a dying house plant being revived after being fed with the brew. "After seeing the advertisement," he wrote, "I thought it would be a marvellous way of reviving my own house plant which was also dying. But, after assiduously feeding it with Heineken, the plant is now completely dead."

"Obviously, as it is dead, I can't test with other beers the advertiser's claim that 'Heineken refreshes the parts other beers can't reach.' I would have thought they would have tested the product before promoting it as a fertiliser."

Though that complainant was quite probably bereft of common sense, said Dr. Lawson, he was evidently misled by the ad, and the EEC directive makes it an absolute offence to mislead anyone.

The proposals do not specify that the consumer should be a "reasonable person," so comic advertisements are in peril of illegality should anyone take them seriously.

The U.S. cigarette companies are competing hard to produce 'tasteless' cigarettes. The battle could soon have repercussions in Europe

Rival empires wield new weapons in America's 'Tar Wars'

BY IAN HARGREAVES

"As you may know, a cigarette this low in tar tends to be harder to light and draw. Therefore, you might find smoking the cigarettes in this box to be an experience substantially different from other cigarettes you have smoked."

This intriguing message can be found stuck to every packet of Cambridge box cigarettes, part of the new Philip Morris range which is in the process of generating one of the fiercest marketing contests of 1980 in the U.S. It is hardly a message calculated to set a smoker's taste buds throbbing or to generate anticipatory calm for his over-stressed nerves; and if there were any doubt about what Philip Morris, the liveliest and fastest growing tobacco company in the U.S. by a long way, thinks about Cambridge box, this is what Mr. John Landry, the company's top marketing executive, has to say about it.

"You need a bellows or something like that to make those things go," he comments. Then

almost static U.S. cigarette market. The year before the take was 3.7 per cent. In 1977 it was 2.2 per cent.

So Philip Morris had to do something. American Brands has been gunning away with its Carlton advertisements ("Carlton is lowest") for nearly two decades. Reynolds has had its Now product line since 1976 and, along with Carlton, has merely needed to lower tar content of part of its range to keep in touch with the ultra health conscious end of the smoking market.

Philip Morris could have followed Reynolds by simply extending the tar availability range of its Merit cigarettes, PM's first specifically low tar brand, launched in 1976 and now the U.S.'s leading low tar cigarette. Low tar, as opposed to ultra-low tar, is defined as cigarettes with less than 15 milligrams of tar per cigarette.

One suspects that the real clue to why PM did not select this route is that coupon in the Cambridge box packets. Mr. Landry makes no secret of the fact that the lowest tar offering in the Cambridge range is a lousy cigarette, although as one would expect he says it is less lousy than the lowest tar offerings from Now or Carlton. To illustrate his point he likes to tell a story of what he agrees was hardly a scientific test.

At PM's super-duper operations centre in Richmond, Virginia—everything at Philip Morris has a super-duper feel to it—the company's testers arranged for an experiment whereby a panel of individuals would be invited to draw on the filter tip of ten cigarettes whose lightable ends they could not see. The only question they had to answer was: "Is this cigarette alright?" It was, Mr. Landry says, just about possible to tell that the Cambridge box cigarettes were burning, but not so with some of the competitors in the 0.1 milligram and below tar bracket. Smoking ultra-low tar cigarettes is, apparently, a mild experience.

PM's feeling that 0.1 milligram cigarettes, at least at the present state of the manufacturing art, are not much good seems to have induced a sensitivity not to risk tarnishing Merit's image with the sickly taste of the 0.1 milligram

The obvious answer is that a market exists. Last year, cigarettes with less than 5 milligrams of tar, each (the accepted definition of ultra-low tar) took 5.7 per cent of an

range has become associated in the public mind with the ultimate in safe cigarettes, even though Carlton sells many more cigarettes with 5 milligrams of tar than it does cigarettes with 0.01 milligram of tar—the claim made for its latest arrival. "We have been working for 15 years to position ourselves where the growth is," says Mr. Richard Stinnerette, assistant to the chairman at American Brands. "We will remain the lowest," he snaps.

Share of market of low tar (under 15 milligrams per cigarette but over 5 milligrams): 1968 1.9 per cent, 1970 3.5 per cent, 1975 8.6 per cent, 1978 15.6 per cent, 1977 23.3 per cent, 1978 32.2 per cent, 1979 37.6 per cent.

Share of market of ultra-low tar cigarettes (under 5 milligrams tar per cigarette): 1977 2.2 per cent, 1978 3.7 per cent, 1979 5.7 per cent.

It is even possible that American could try to defend its claim in the courts again as it did without much success two years ago against Reynolds, now. Objectively speaking, the latest rash of claims is probably no more than hoopla anyway.

The Federal Trade Commission says it cannot measure accurately tar levels under 1 milligram. Doctors say such fine distinctions make no difference, although some medical opinion has recently started to campaign for tougher warnings against low tar cigarette smoking on the grounds that even without tar cigarettes remain dangerous, especially for pregnant women.

Be that as it may, American, Reynolds and PM obviously all agree that selling is a question of numbers and that success will go to the company whose ads can convince people that they are getting the lowest tar, although all of them dispute that this is purely a health craze, pointing to a growing American preference for lighter beers and whiskies, and for blander foods.

So, the claims of the rather colourless advertisements pit themselves against each other. "Breakthrough! Now is the closest thing to a tar-free cigarette. Introducing the lowest." Or "Carlton is lowest. See how Carlton stacks down in tar compared with U.S. Government figures for brands that call themselves low in tar."

West Germany, which landed early on to the low tar/health awareness bandwagon, the pendulum has started to swing back the other way. Low tar in that country accounted for 25 per cent in 1977 and is now closer to 30 per cent.

That is another reason why Morris is hedging its bets with Cambridge in what Madison Avenue has dubbed the industry's "Tar Wars." At this stage it is too early to tell whether in the U.S. market, the empire of more potent cigarettes is capable of striking back.



experience. The lateness of the Merit launch, relative to the competition, Mr. Landry says, was because PM was determined to get good flavour in a low tar cigarette. The sales figures prove the achievement.

So, Cambridge is out there as a brand new product to do battle with Now and Carlton. Mr. Landry is confident that over a period of several years it will establish itself, perhaps with 2 to 3 per cent of the market, and that the higher tar offerings in the Cambridge range (such as the 4 milligram line) represent acceptable smoking quality.

But that still does not explain why Philip Morris has launched, and why the industry is so excited about it launching, what may well soon be promoted as a zero tar cigarette itself. The real answer is

Carlton and marketing. American Brands' record over the years is not an enviable one, having dropped from a 20 per cent overall U.S. market share to 11.6 per cent in the last decade. American misread the switch to filters, but its numbers and facts oriented backing of Carlton has at last started to pay off handsomely. The brand was last year's star performer, raising sales by 50 per cent and providing, without doubt, the final trigger for PM to join in the scramble.

The point about Carlton is that because for most of its life Government figures have shown it to be without dispute "the lowest." The whole Carlton

range has become associated in the public mind with the ultimate in safe cigarettes, even though Carlton sells many more cigarettes with 5 milligrams of tar than it does cigarettes with 0.01 milligram of tar—the claim made for its latest arrival. "We have been working for 15 years to position ourselves where the growth is," says Mr. Richard Stinnerette, assistant to the chairman at American Brands. "We will remain the lowest," he snaps.

Share of market of low tar (under 15 milligrams per cigarette but over 5 milligrams): 1968 1.9 per cent, 1970 3.5 per cent, 1975 8.6 per cent, 1978 15.6 per cent, 1977 23.3 per cent, 1978 32.2 per cent, 1979 37.6 per cent.

Share of market of ultra-low tar cigarettes (under 5 milligrams tar per cigarette): 1977 2.2 per cent, 1978 3.7 per cent, 1979 5.7 per cent.

It is even possible that American could try to defend its claim in the courts again as it did without much success two years ago against Reynolds, now. Objectively speaking, the latest rash of claims is probably no more than hoopla anyway.

The Federal Trade Commission says it cannot measure accurately tar levels under 1 milligram. Doctors say such fine distinctions make no difference, although some medical opinion has recently started to campaign for tougher warnings against low tar cigarette smoking on the grounds that even without tar cigarettes remain dangerous, especially for pregnant women.

Be that as it may, American, Reynolds and PM obviously all agree that selling is a question of numbers and that success will go to the company whose ads can convince people that they are getting the lowest tar, although all of them dispute that this is purely a health craze, pointing to a growing American preference for lighter beers and whiskies, and for blander foods.

So, the claims of the rather colourless advertisements pit themselves against each other. "Breakthrough! Now is the closest thing to a tar-free cigarette. Introducing the lowest." Or "Carlton is lowest. See how Carlton stacks down in tar compared with U.S. Government figures for brands that call themselves low in tar."

West Germany, which landed early on to the low tar/health awareness bandwagon, the pendulum has started to swing back the other way. Low tar in that country accounted for 25 per cent in 1977 and is now closer to 30 per cent.

That is another reason why Morris is hedging its bets with Cambridge in what Madison Avenue has dubbed the industry's "Tar Wars." At this stage it is too early to tell whether in the U.S. market, the empire of more potent cigarettes is capable of striking back.

And from PM: "Introducing Cambridge Box: the lowest tar ever." At this stage no image advertising of the Marboro country type is contemplated. This battle of mathematicians for the dulled palates of the nervier end of the 55m-member U.S. smoking market may not be the stuff of which Madison Avenue romantic novels are made, but everyone knows that big money could be involved soon.

Last year, cigarettes under 1 milligram (basically Carlton) took 0.5 per cent of the market, a slice worth about \$100m in revenue. As a whole the low tar business is now more than 40 per cent of the total market, a level surpassed only in Canada.

In Europe, where American, Reynolds and Philip Morris are all leaders (Benson and Hedges, Winston and Marlboro, respectively), there is also a drift to low tar in some countries, such as Britain, where this sector now accounts for about 20 per cent of the market. But in



West Germany, which landed early on to the low tar/health awareness bandwagon, the pendulum has started to swing back the other way. Low tar in that country accounted for 25 per cent in 1977 and is now closer to 30 per cent.

That is another reason why Morris is hedging its bets with Cambridge in what Madison Avenue has dubbed the industry's "Tar Wars." At this stage it is too early to tell whether in the U.S. market, the empire of more potent cigarettes is capable of striking back.

YOUR BUSINESS OCCASIONS ARE OUR BUSINESS

Your business is *your* business. But your business occasions are *ours*. And that's where we modestly claim to excel ourselves—with the most flexible arrangements for differing numbers, the most attentive service, food of a standard unsurpassed in any hotel catering for business functions and the very latest in technical equipment.

On the audio-visual side our experts (and we think they're the best in the country) will arrange anything from a slide presentation to the best in Cinemascope; from closed television and videotape to multi-screen slide and tape. Telex, printing and duplicating, multilingual secretaries and simultaneous translation in up to six languages are all part of the service.

To discuss your own special requirements please telephone our Banqueting Office on 01-409 3131 or write requesting our comprehensive and distinctive brochure.

HOTEL
INTER-CONTINENTAL
LONDON

One Hamilton Place, Hyde Park Corner, London W1



The South hits harder

When it's seen on Southern—it sells £29.3m was spent last year on TV advertising in the leisure field. A big market. And one-seventh of all leisure products were bought in the South. A giant share of the market—and it's growing.

Southerners bought sports equipment, binoculars, sunglasses, cameras and much more. Because when a Southerner sees what he wants, he buys—he's got the money to do it.

If you're involved in the leisure field—it makes sense to put Southern on your schedule.

SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

Coining words

IF THE word "lusophile" ever makes it into the Oxford English Dictionary its first usage will be noted as the Sunday Telegraph, May, 1980. Anyone with a little Latin remembering that the region which is now Portugal was all Lusitania to the Romans, might guess it means a lover of Portugal. Among the lovers of Portugal at the moment are agency MKW which dreamed up the word, now part of one of its most successful campaigns ever.

MKW won the Portuguese tourism account last December but had no idea of the expenditure until May when the Portuguese Budget was decided, committing £130,000 to promote that country in the UK. Since most holiday bookings are made between late December and end February starting a campaign in the early summer was breaking holiday advertising precedents. In practice it has worked splendidly, five insertions in up-market magazines producing over 7,000 enquiries, almost unprecedented in this field, plus three hundred calls a day to the Portuguese Tourist Office in London and a 50 per cent rise in its post-bag. The Sunday Times double page brought in 6,800 enquiries which works out at £1.50p a lead.

The advertisements, under the "Are you a natural lusophile?" headline, are unusual in marrying plenty of words with lots of pictures, and are aimed at persuading AB's to travel to north and central Portugal under their own steam. It now has as if this year Portugal will have made up all the tourists it has lost since its revolution. In 1973 the total traffic was 512,000. By 1976 it had fallen to 245,000 and since then it has been rising steadily. Last year there were 400,000 visitors and this year the plan is for 550,000. The head of the holidaymakers go to the Algarve and MKW's brief, which has been helped by a further £70,000 as a token of success, is to spread the tourists throughout the country. It also hopes to ensure that the British visitor retains his top position: in the last few years the Dutch and the Germans have increased their numbers, but over a fifth of tourists to Portugal remain British.

The incredible story of how an Anglia businessman made a small fortune with £15,000 and a television set.

In 1972 a small computer consultancy called Systematics International was founded by Ronald A. Young.

Two years ago, the consultancy having flourished over six years was introduced to Micro Computers.

Feeling this was the direction they wanted their company to go they spent a year evaluating and assessing the market.

And finally decided to promote ITT Micro Computers.

At first they enjoyed local success with their new venture advertising in local papers.

However they felt they'd really like to be advertising to small business users on television.

But like most people they were terrified of the cost.

Bravely, though, they contacted us at Anglia and we talked to them about advertising.

We offered them a first-time discount on the deal and recommended a Production House to make a low-cost video commercial. We then went on the air on New Year's Eve.

The campaign consisted of three

nights a week in January, two nights a week in February and one night a week in March. Most of the commercials were in the centre-break of News at Ten.

Nobody quite knew what to expect.

So you can imagine Systematics International's delight when they got over 300 inquiries.

All of them high quality leads which meant over half a million pounds worth of business for the company.

That's even more of an achievement when you consider each Micro System costs between £3,000—£5,000!

Systematics International's pleasure over the success of their first campaign is probably best expressed by their actions.

They are talking about a second campaign already.

If you think your business could benefit from a television campaign, don't hesitate to contact Tim Wootton on 01-408 2288.

And we'll try and do for you what we did for Systematics International.



JOBS COLUMN, APPOINTMENTS

Shining example set by insurance company

BY MICHAEL DIXON

IT IS a pity that recruitment consultant Tony Bucher of Caldwell Partners International may not name the insurance group for which he is seeking an accounting services manager.

For the group has won the first ever JOCCUP award—the Jobs Column's Commendation for Unusual Perspicacity.

Canadian in origin and ownership, the group started operations in London 74 years ago, and has since established branches throughout the UK and in the U.S. and the Caribbean. In 1972 the UK operation formed two subsidiary companies to enable it to offer a greater range of financial services, including a unit trust.

The person now wanted will work in central London and be responsible to the secretary of the group's UK businesses for their accounting, which is based on computerised procedures developed by the Toronto headquarters. As well as ensuring that financial and management accounting systems are efficient, maintained and improved, the newcomer will see that the necessary staff are trained effectively and will contribute appropriate advice to the planning of operations.

At present the domain includes 17 staff working in two departments. One deals with financial accounting, having a manager supported by three

administrators; for segregated funds, for subsidiary companies, and for the budget. The other department is headed by an assistant manager in charge of a cashier's section and a control section.

The main qualities required of candidates are threefold. Applicants must have the technical skill not only to win the respect of the qualified staff, but also to roll up the sleeves and give a practical lead. The second need is experience in either insurance and assurance, banking, or unit trusts. The third is demonstrable "man-management" ability.

So what—I seem to hear myself asked—is so unusual about this job-offer as to merit the coveted JOCCUP award?

The answer is that when seeking to fill such openings, the great bulk of employers call for candidates who are impeccably certificated accountants aged up to the mid-30s or thereabouts. To their eternal credit, however, the insurance group and Mr. Bucher have resisted this prejudice of the common herd and have specified that candidates, preferably qualified accountants, should be no younger than 50. Indeed, provided they are in shape to undertake a three- to five-year contract, they could already be in their 60s.

The salary indicator for the job is £14,000-£16,000, and the

arrangements for pay can be adjusted to suit the needs of the 50-plus age group. The other benefits are of the comfortable sort associated with financial institutions.

Inquiries to Tony Bucher at 24 Buckingham Gate, London SW1E 6LB; telephone 01-834 7966. Since he may not name the employer, he guarantees to abide by any applicant's request not to be identified to the client until specific permission is given. So do both the recruitment consultants yet to be mentioned.

Control-control

ONE is Richard Robinson of the Otteridge consultancy, who seems to believe that of only about two dozen English-speaking people in Europe who could do the job he is offering, at least half read this column.

He then somewhat dilutes the compliment by implying that the said reading is done during the many hours those people spend in aeroplanes, when they presumably have nothing better to do. Magnanimously, however, I shall refrain from referring to him henceforth as Rude Robbo.

The flighty candidates he seeks are qualified engineers who have specialised for at least five years in control and automation, having worked in that capacity in the management

of computer-control projects on behalf of various process industries in different parts of the world. In addition, they will have been successful operations managers in oil, gas, chemicals, nuclear processes or power-generating.

As a result, they will know the current state of the art of computer-control in process industry, be familiar with the problems of applying that art in the plants of client companies, and be able to communicate with the variety of boffins necessarily involved in the design, development and installation of such control systems.

They will also have become adept at marketing the systems, and have ideas on how to drum up business for same outside the energy industries.

What Mr. Robinson has to offer the paragon so described, is the job of managing the European automation and control division of a multinational contracting group headquartered in the U.S. The base for the recruit will be London on those occasions when he or she is not ranging abroad—often far beyond Continental Europe, I gather—managing and marketing.

"The project—and administration—management content of the job will be very high indeed," he says. And since the division is expected to

expand, there will be a premium on using marketing and sales ability to good advantage.

The age range extends from 35 to 50, and so is a bit better than the "mid-30 to mid-40s" which most recruiters of managers and specialists quote like so many parrots. But I fear that a top limit of 50 is still too narrow minded to qualify for a JOCCUP.

Provided that candidates are fluent in English, they could come from anywhere in the world, adds Richard Robinson. Pay and perks are negotiable around a basic salary of £20,000 to £25,000.

Inquiries to him at 187 Knightsbridge, London SW7; tel. 01-589 1444.

World-wide

THERE WILL be much travel, too, for the director of international planning and marketing development wanted by Nick Hankinson, of Overseas Appointments, for a U.S.-owned reprographics group. The newcomer will be responsible for the marketing of the group's ranges of copiers and duplicators in all countries other than the Americas.

Although based in London, the director will spend about half the time in the Far East and Australia, and some of the rest in Africa, the Middle East

and elsewhere in Europe. Tasks for which the recruit will be responsible to the marketing vice-president in the U.S., will include market research, development of marketing strategies, and supply of advice on products and pricing to distributors, subsidiaries and group headquarters.

Another task will be the recruitment of a supporting team, probably of three people.

Mr. Hankinson says that candidates should already have deep, first-hand knowledge of overseas markets for reprographic equipment, particularly those of the Far East. Fluency in one or more of the major European languages apart from English is also essential. A dynamic style of working, suited to the dash and bustle of U.S. business culture, would be a great advantage.

Applicants should have at least a bachelor-level degree of some sort, and preferably a master's degree in management as well. Noting the evident physical demands of the job, I can see some—although not complete—justice in the quoted age of "around 35."

The salary indicator is £15,000 to £20,000, and the other benefits are negotiable.

Inquiries to Nick Hankinson at 7, Princes Street, London W1R 7RB; telephone 01-629 7262, telex 893436.

CAPITAL PROJECT ACCOUNTANT

Mid 20's Middx c£10,000

THE COMPANY is one of the UK's leading retail groups, selling a wide variety of durable and non-durable goods through several household-name chains. Turnover is approaching £1 billion, with annual capital expenditure of approximately £50 million.

THE VACANCY, based at Group Head Office in North London, entails the review of the financial viability of proposed investments; the development of improved methods for financial evaluation, using and developing a sophisticated computer model; the preparation of annual capital budgets; and the monitoring of performance against original project estimates. The reporting line is straight to the Group Financial Controller.

CANDIDATES should be recently-qualified accountants with the ability to exercise commercial judgement as well as technical competence. Specific background is less important than personal ability. Future prospects within the Group may be taken as read.

Career plan
PERSONNEL CONSULTANTS

Please apply:
Rigel Halsey
Chichester House
London WC2A 1EG
Tel: 01-242 5775

FOREIGN EXCHANGE CONSULTANCY

Our client, a major international financial institution, is seeking a new consultant to join their young and highly successful foreign exchange team.

The work is wide ranging and involves the provision of a professional consulting service to major U.K. and Scandinavian based international companies in the areas of foreign exchange and international economics and finance.

Relevant experience could have been gained in a commercial or financial organisation as an economist or in a foreign exchange advisory or treasury role.

He or she will have the confidence to deal with senior corporate management in a consultancy role and will therefore be educated to graduate or post graduate level, articulate, and with well developed social and interpersonal skills.

Salary circa £10,000 plus benefits including mortgage assistance, a non-contributory pension scheme, BUPA and profit share. Location Central London.

Write with C.V. or telephone for an application form quoting reference 1140 to David Dale who is advising on this appointment. All correspondence will be treated in the strictest confidence.

AD
One Old Bond Street,
London W1X 3JD.
01-499 8811.
THE ADVERTISED APPOINTMENTS
DIVISION OF ODGES AND CO.

Financial Controller

International Bank £14,000-17,500 + car + benefits

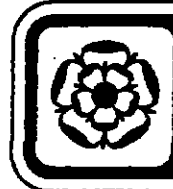
This position with one of the leading international banks in the City has been structured to attract Chartered Accountants, probably in their early 30's, who can offer the following:-

- * Commercial line experience, with staff control
- * Accounting expertise gained in a banking or financial services environment
- * The ability, ambition and potential to take on a senior Financial Control appointment, with excellent longer term prospects.

If you can meet these criteria, and are interested in a package which includes a salary negotiable up to £17,500, together with generous mortgage arrangements, car, non-contributory pension, etc., please contact Peter Wilson, F.C.A., in strict confidence.

Management Appointments Limited (Recruitment Consultants),
Albemarle House, 1 Albemarle Street, London W.1. Telephone: 01-499 4879

Management Appointments Limited



English
Tourist Board



Development Director

London SW1

c. £17,000 p.a.

The Board requires to appoint an individual, with appropriate professional qualifications or financial experience at executive level, to lead its Development Division which advises the Board on development policy and on the utilisation of funds provided by various government approved schemes.

It is intended to widen the development advisory services offered nationally by this division relating to the provision of funds or loans from clearing banks, pension funds and other institutions.

Candidates would be expected to have

a broad knowledge of international and domestic sources of finance, and of development project evaluation, to assist the Board in furthering the prosperity of the tourist industry.

In addition to the basic salary, remuneration includes relative pension and other standard entitlements accorded to senior public service employees.

For detailed information and an application form, telephone 01-248 6113 or write, in confidence, to Neville Mills, quoting reference no. 1031/L.



Peat, Marwick, Mitchell & Co.

Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

MAJOR RETAIL GROUP BUDGET AND TAX ACCOUNTANT

Central London Age 28-32 £13,000

Our client is a major retail Group with a turnover approaching £1,000m and outlets in most high streets. Promotion requires the recruitment of a qualified accountant to assist the Group Financial Controller, with specific responsibilities for budgeting, performance analysis, taxation, asset control and ad-hoc exercises such as systems implementation, profitability studies, etc.

Candidates should be qualified with at least two years' relevant experience in a sophisticated, fast moving environment. This is a demanding role which will require commitment, creativity and diplomacy. Prospects are excellent.

For more detailed information and an application form please contact Ian Tomlinson, 410 Strand, London WC2R 0NS. tel. 01-836 9501, quoting ref. 2903.

DOUGLAS LLAMBIAS

Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 28 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)



ASSISTANT FUND MANAGERS

A leading merchant bank has vacancies for three Assistants to work with senior Fund Managers.

Successful candidates will have a sound knowledge of investment fundamentals and have a minimum of two years experience as a Sector Analyst in a Research Department—probably with a leading firm of stockbrokers or a leading merchant bank. They are likely to be graduates and must be capable of producing well-written analytical and business reports.

Candidates will be between the ages of 25 and 30 and the reward range will be £8,000 to £12,500 + non-contributory pension. The positions provide an excellent opportunity to gain fund management experience and to progress to full Fund Manager responsibilities.

Please write or telephone in confidence to Michael Jenkins.

Directorship Appointments
Limited

17 Devonshire Street, London W1N 1FS. tel 580 7357.

CITY TREASURER £19,887-£21,129

The City, population over one million, is the largest Metropolitan District Council providing a wide range of local government services and includes within its boundaries a unique variety of industry and commerce. Its rateable value is over £160 million and estimated gross expenditure for 1980/81 is over £500 million. The City Council owns and operates, through a management company, the National Exhibition Centre.

The City Treasurer's Department employs some 1,200 staff and is responsible for the proper administration of all the financial affairs of the Council. The responsibilities also include the Council's computer. The post of City Treasurer is at Chief Officer level and reports primarily to the Council's Finance and Management Committee.

The vacancy arises as a consequence of the appointment of Mr. W. S. Page (previously Principal Chief Officer and City Treasurer) as Chief Executive.

Applicants should be professionally qualified and be able to demonstrate substantial achievements and experience in public service financial management.

Candidates, male/female, may obtain application forms (returnable by 7th July) and further details from:-

The City Personnel Officer,
Personnel Department,
Snow Hill House,

1 & 19 Warwick Street,

Birmingham B3 2PF.

Telephone — 021-235-3748

Please quote reference 7/101/3

Canvassing will disqualify.

BIRMINGHAM CITY COUNCIL

BRANCH MANAGER SOUTHAMPTON

FS Assurance, the Glasgow based mutual life office, invite applications to fill the post of Branch Manager at our Southampton Branch.

Applicants, male or female, must have a successful new business record in conventional life and pensions business, preferably to include experience of an agency-orientated office. The ability to motivate a sales force to maintain viable production levels is of equal importance to administrative ability.

Our Southampton Branch covers a well established territory in which there are plans for expansion. This vacancy, caused by early retirement, offers an exceptional opportunity to join an expanding Company at a senior level with excellent career prospects.

The position carries an attractive basic salary with a generous production bonus. The fringe benefits are as expected of a first class life office and include a company car, concessionary mortgage facilities, and non-contributory pension scheme. Re-location expenses will be met by the Company where appropriate.

Interviews will be arranged where convenient but in the first instance applications, which will be treated in strictest confidence, should be sent marked Private and Confidential to — H. B. Garvie, Esq., Agency Manager, FS Assurance Ltd., 190 West George Street, Glasgow G2 2PA.

FS ASSURANCE LIMITED

Over 80 years of Scottish Experience



INTERNATIONAL TREASURY ADVISORS

A major international oil company is seeking two young professionals for its London Treasury Department to assist in the management of its European cash resources and the financing of its operations.

Candidates should have appropriate experience either in banking or a multi-national corporation and should preferably hold an MBA or suitable professional qualification.

The Cash Management Advisor will be required to handle Gulf's existing cash management throughout Europe and to develop improvements in cash balance optimization, cash forecasting techniques and cash mobilization.

The Financing Advisor will be required to assist in all aspects of the financing of Gulf's upstream and downstream European operations.

Both advisors will be expected to work as members of a team which handles all Gulf's European banking, foreign exchange and financing in an environment offering many opportunities for career progression. Some foreign travel will be required.

Salary is negotiable and will be in keeping with the qualifications and experience of the successful candidates.

Please apply to:-

Clare Hill
Gulf Oil Company - Eastern Hemisphere,
Gulf House,
2 Portman Street,
London, W1N 0AN.
Telephone: 01-493 8040

MERCHANT BANKING

£7,000-£15,000

A number of our clients including leading Merchant Banks and members of the Accepting Houses Committee, seek recently qualified Graduate Chartered Accountants, Commercial Lawyers and Bankers with at least one year's experience.

These opportunities are mainly in the Corporate Banking or Corporate Finance Departments, but other openings exist in Shipping, Leasing, Eurobonds or Investment. First rate applicants with a good academic record are essential for these positions.

Please write or telephone:

T. C. H. Macafee
Beresford Associates
Limited
Cross Keys House
56 Moorgate
London EC2R 6EL
Tel: 01-628 7546/7

FINANCIAL CONTROLLER

London

c£20,000 + car

Working in a headquarters environment, the Controller will supervise a small staff and be responsible for the full financial and accounting function. With an overview on worldwide operations and travelling on a problem solving basis, he or she will be involved in planning, treasury and a range of projects e.g. systems development, acquisition and business development.

A subsidiary of a substantial international group, our client provides a range of services to a fast expanding industry. The company is growing rapidly worldwide and is therefore strengthening its financial function. Applicants aged 30-35 should be qualified accountants with US company experience ideally gained in the manufacturing and/or distribution industries. Please telephone or write to David Hogg FCA quoting reference 1/2004.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Manager-Export Finance

£neg + Car + Substantial Benefits Package

Our client is a leading international bank, based in the City. It has ambitious, but carefully structured, plans to expand further its world-wide business and to this end has retained us to recruit a Manager - Export Finance.

Probably aged in the later 20's or early 30's, you will currently be working for a large international bank, as a member of the Export

Financing team. You will be looking for an appointment in which you can assume your first real responsibilities at executive level, with the opportunity to develop your banking skills in a highly commercial environment.

The remuneration package consists of a very competitive salary, plus car, non-contributory pension, a comprehensive subsidised property loan scheme, and various other benefits.

Please contact Peter Wilson, F.C.A., in strict confidence, at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W.1. Tel: 01-499 4879

Management Appointments Limited

Chief Financial Executive

Consulting Engineers

London
c.£15,000 p.a.

We have been retained to advise on the above appointment for a partnership of seven consulting engineers employing in excess of 300 persons. The practice has been established for more than fifty years and now has operations in the U.K., Australia, the Middle East and Africa. The location of the appointment is Central London but could be moved, by agreement, to the Sussex office.

The successful candidate will be expected to direct the total financial and accounting function as well as providing financial and fiscal advice

to partners and contributing to the general development of the practice. Applications are invited from fully qualified and experienced Chartered Accountants who can demonstrate professional achievement and the ability to communicate effectively within a professional practice. Remuneration will be for discussion at around £15,000 p.a. A company car will be provided. Please apply in confidence, quoting reference 030 and giving a brief summary of your career to date, to J. M. Heaslip at:

JOSOLYNE LAYTON-BENNETT LTD.
Management Consultants
Metropolis House, 39/45 Tottenham Court Road, London W1P 0LL

DON'T BEAT ABOUT THE BUSH

GO TO NIGERIA!

Accountant, £10,000 (in 5)

L1524

OR THE WEST END, LONDON!

Asst. Bank Manager, £7,000?

L1512

OR THE CITY OF LONDON!

Credit Analyst, £8,000?

L1441

OR N.W. LONDON!

Financial Institution Controller

£10,000

L1437

Call Chris Stock, 01-481 8111

Banking and
Accountancy
Personnel
Selection

Fund Management

Major Merchant Banking Group c.£14,000

Our client, an accepting house, is one of the major forces in the investment scene. They operate a complete range of investment services for both institutional and private clients. They are also one of the largest unit trust managers and are linked with a large scale life assurance operation.

They seek three 27-35 year old people of well above average potential to help with their expansion. These people should be graduates, be professionally qualified - preferably in Economics - or have passed the Stock Exchange Examination, and have at least three/four years' experience with a major bank, broker or insurance house.

Institutional Fund Manager

This role envisages managing and marketing to international corporate clients, research into International & UK Markets etc. These will include insurance companies, overseas banks, off-shore pension funds etc. Experience of either international fixed interest or the Eurobond market is key. This job offers exceptional opportunities.

Pension Fund Manager

They seek a person who has in-depth background in analysis and who is already involved in managing pension funds and who wishes to move to a position of more responsibility.

Private Client Fund Manager

This role is to supervise a wide range of discretionary private clients. The person appointed should combine analytical training with experience of portfolio management, probably with a stockbroker, but possibly with a bank. Their Private Client Department is supported by a sophisticated computer and other systems. Considerable client contact.

All of these positions are felt to be of above average potential and involve working in a disciplined and sustained atmosphere. Total remuneration, by salary, is likely to be around £14,000 and there are, in addition, the normal bank benefits including subsidised mortgage.

Please write with full details to Colin Barry at Overton Shirley and Barry (Management Consultants) Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry **OSB****Senior Investment Analyst**

An opportunity has arisen for a Senior Investment Analyst to join British Airways in the Airways Pension Scheme at Kershaw House, Hounslow, Middlesex.

The Analyst reports to the UK Equity Manager and is responsible for the analysis of oil, chemical, mining and pharmaceutical sectors of UK portfolio. He or she will be required to prepare reports on new holdings, takeovers and company results; perform analyses of companies and industries; monitor information from stockbrokers and other sources. A positive contribution on policy decisions regarding the construction of UK equity portfolio is envisaged.

Applications are invited from persons holding a degree or suitable professional qualification preferably with experience of research gained in a comparable institution or stockbrokers' office. The salary will be in a scale starting around £7,336 and rising to £8,884 p.a. Excellent airline benefits include an index-linked pension scheme, sports and social facilities and favourable holiday air travel opportunities.

For an application form please phone, or write on a postcard to: Recruitment and Selection, British Airways, PO Box 10, Heathrow Airport, London, Hounslow TW6 2JA. Tel: 01-897 3246/3247

British
airways**Actuaries**

become part of the most innovative and competitive market in the world-South Africa.

We seek qualified Actuaries and students with two to three years' relevant experience to work from our Johannesburg Head Office and become involved in one of the most innovative and highly competitive life insurance markets in the world. We are totally aware of the value of marketing our products thoroughly and we can offer you the chance to really get to grips with the market and plan exciting programmes and products for the full spectrum of the South African population.

Anglo American Insurance Holdings Limited, South Africa is part of the Anglo American Corporation which has consolidated assets of \$7,000 million. De Beers, one of the principle shareholders is ranked 122 in the 'Fortune' 500 list of the largest companies in the world. This is an indication of the commitment and confidence current in the South African life insurance market which is part of the only booming economy in the Western world.

Three life assurance companies are included in the Group: African Eagle Life - one of the four largest life companies in South Africa, Guarantee Life - a specialist broker-orientated company and Southampton Assurance Co. Ltd., situated in Zimbabwe. All offer services and products which span group pensions; individual and industrial life markets.

Successful candidates will be involved in all aspects of actuarial work with a clear career path to general management of the Group.

In addition to the chance for you to really develop an excellent career we also offer very competitive salaries based on experience and performance - senior posts also carry a company car and subsidised mortgage. The benefits package also includes contributory pension and medical aid schemes that are amongst the best in the country, and naturally we will provide relocation costs. South Africa has a lower cost of living than the U.K. - the current purchasing power of the Rand is approximately equal to that of the pound, VAT is only 4% and taxation is lower. Recreation and schooling facilities are excellent and the climate is recognised as one of the finest in the world.

We are prepared to offer a permanent position to suitable candidates, but are also prepared to talk in terms of a four-year contract which may be open-ended if required.

If you want to make a career move that can only be considered advantageous to you then contact James Valles, Austin Knight Ltd., London W1A 1DS. Tel: 01-437 9261. Since interviews will be held in London on the 2nd, 3rd and 4th July please indicate a convenient time/date for interview.



Anglo American Insurance Holdings Limited

Financial Controller

Middlesex to £12,000 + car

For the autonomous UK subsidiary of a high technology North American corporation.

Reporting to the managing director, the appointee will have the challenging responsibility of managing the full finance function and contributing to the growth of this young and exciting business.

Candidates should be qualified accountants, with a shirt sleeve approach, and a wide accounting knowledge. This must include several years industrial management accounting experience, ideally in electronics or light engineering.

For an application form telephone 01-248 6113, or write to J. H. Cobb, Executive Selection Division, quoting reference 2461/L.



Peat, Marwick, Mitchell & Co.

165 QUEEN VICTORIA STREET, BLACKFRIARS, LONDON EC4V 3PD.

MAJOR INTERNATIONAL BANK

REQUIRE A

CURRENCY DEALER

TO WORK IN THEIR SAHRAH OFFICE.

Age group 25-30 years, married, preferably with a small family. Candidates should have at least 3 years' experience in this field, mainly in Deposits. Excellent salary and conditions.

Applications in writing to:
PO BOX 131, LONDON, EC2P 2NA.

City of London Polytechnic

The Court of Governors
invites applications for the post of

PROVOST

Approximate salary £20,000 (under review)
Burnham Group 11

The present Provost intends to retire in March 1981.

Further particulars available from:

Peter Burrell
Secretary and Clerk to the Governors
City of London Polytechnic
117-119 Houndsditch London EC3A 7BU

The closing date for applications is 26 September 1980

Assistant Treasurer

Brussels

The area headquarters for Africa and the Middle East of a major international Company is seeking an Assistant Treasurer due to the promotion of the present incumbent. The emphasis initially will be on treasury functions for multi-million dollar contracts in English speaking West Africa and thereafter there will be opportunities for increasing involvement throughout the area on a broadening professional front. Considerable travel will be involved. A sound financial background in both education and career is

required together with specific and intimate knowledge of company finance and bank procedures. Ref: K8001/FT Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details with present salary and telephone number for early contact, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

TREASURER

Our client is an international trading group, with extensive interests in the U.K. and overseas. An experienced banker (30-35) with in-depth knowledge of Foreign Exchange and Money Markets as well as extensive banking contacts, is required to implement an important phase in the development of the treasury function. A comprehensive technical understanding of international financial transactions is crucial, as are intellectual ability and communication skills.

Please telephone ROY WEBB

EUROBOND SALES

£12,000-£15,000 + Bonus
An expanding U.S. investment bank has an urgent need for top-flight sales executives to further develop its institutional sales base. Candidates should have had experience in marketing a range of fixed interest securities; aggressiveness and career motivation are prime requirements. There is an element of travel associated with the position. Earnings potential and career prospects should interest candidates aiming for the highest level.

Please telephone ROY WEBB

CREDIT/LENDING

£12,000
Two 'ground-floor' opportunities for international bankers with credit/lending experience exist with a young, wholesale international bank new to the City of London.

The first position, reporting to a General Manager, calls for a candidate aged 30-35 with a strong background in credit analysis and recent experience in the business development of corporate lending services, preferably including some exposure to the Middle East.

The other vacancy is open to a trained Credit Analyst aged in his or her twenties. Salary for this position will be in the region of £8,000 and there are prospects of promotion to Area Officer.

Please telephone KEN ANDERSON

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

Economists International Banking

Bank of America, the world's largest international bank, is seeking two Economists to join the Economics Department in its Europe, Middle East and Africa Division, based in the City. The department's activities encompass a wide range of research and market-related functions, including the interpretation of economic and political developments, foreign exchange and interest rate forecasting, country risk analysis, strategic market and planning studies, and the development of business both within the Bank and with external clients.

Candidates, aged 25-30, must have a sound background in applied economics, together with the personal qualities needed to deal effectively at senior management level. The appointed applicants will work in a team reporting to Eijl Kruse-Kempen, Director of Economics, and will specialise either in financial analysis, with particular emphasis on the foreign exchange markets, or in country risk evaluation and strategic studies related to long-term business opportunities and challenges. Proven experience in one or other of these areas is therefore essential.

These positions afford excellent scope for career progression, and a competitive salary will be augmented by an attractive benefits package, including low-interest mortgage, non-contributory pension and free BUPA.

Write, in strict confidence, with full personal, career and salary details to: A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

LETTERS OF CREDIT/FOREIGN EXCHANGE

Growing Banking Group invites applications from experienced executives to join group to develop L/Cs and Forex Department. Terms negotiable.

Write Box A7203, Financial Times, 10 Cannon Street, EC4P 4BY.

INSURANCE EXECUTIVE

Growing Banking Group invites applications from experienced executives to join group to develop in-house insurance business on excellent negotiable terms.

Write Box A7204, Financial Times, 10 Cannon Street, EC4P 4BY.

FINANCIAL DIRECTOR-DUBLIN

Entrepreneurial Group £20,000 - PA

The Group, with profits in excess of £4 M pa, has expanded rapidly in Ireland and the UK in recent years. Development of financial systems and standards is now a priority to keep pace with the anticipated size of the operations in both the long and short term.

As a Group Main Board Director you would be a member of a small, informal and technically competent management team. You would be required to provide the financial forward thinking for the Group, as well as establishing the routine systems and leading the financial management.

To be considered you must be a Chartered Accountant and have held a senior financial position in a public company with a turnover of at least £40 M. Experience in dealing with outside professional advisers and with the technical detail of acquisitions and share issues is also obligatory. Age: 35 to early 40s.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the Group.

Business Development Consultants,
27 Upper Fitzwilliam Street,
Dublin 2. Telephone 760265.

BDC

Management Accountants

Permanent or contract positions -
South Africa - c. £10,000 p.a.
plus min. 8½% annual
bonus + car + free house

A leading South African Mining Corporation wishes to appoint at its mines qualified Management Accountants, preferably in the age range 35-45 years.

This job will not involve routine accounting work but rather participation in all matters affecting mine profitability, notably profit planning and optimisation, capital expenditure justification, management information systems and related data processing facilities.

It requires a CMA or equivalent level qualification backed by extensive experience in cost and management accounting techniques including information systems and systems design which have been computerised.

Experience in a heavy process type industry such as mining would be a decided recommendation. In addition to the salary package quoted above, you will receive a relocation allowance, paid airfare and other benefits including medical insurance.

Come to South Africa and let your qualification work for you. If offers a change for the better; lower cost of living and taxation - the purchasing power of the Rand is approximately equal to that of the Pound and VAT is only 4% - good climate, excellent schooling, recreational and sporting facilities.

The salary quoted is converted at £1 = R1.80 as at 21st April 1980.

Interviews will be conducted in London and at other major centres.

Please phone Keith Robson between 9 a.m. and 5 p.m. on 01-439 3301 or write in complete confidence with full career details and a contact phone number to reach him before the 27th June, at Austin Knight Limited, London W1A 1DS, quoting reference TST.

TST

**TST-AFCON
CONSULTING GROUP**
Durban, Johannesburg, Cape Town

Management Selection and Industrial Relations Consultants

Financial Accountant

An opportunity has arisen for a recently qualified accountant to join a small team of qualified accountants in the European area head office of INCO, a major Canadian based multi-national company, which includes the world's largest nickel producer.

The work will initially be directed mainly towards financial accounting but the person appointed could become involved in any aspect of the work of the Comptroller's Department including the provision of financial controls, management and statutory accounts and financial forecasting, for a number of group companies in Europe and the Middle East. There is an additional need for support in the area of evaluation of investment opportunities and in accounting research (particularly SSAP 16).

For a young professional with the personality and ability to deal with management at all levels there are excellent prospects, not only within Inco Europe or independently managed UK subsidiaries, but also elsewhere in the Inco organisation, especially in North America. The commencing salary will be at least £8,500 p.a. and conditions of employment, including non-contributory pension and generous life cover, are those expected of a major international organisation.

Applications, giving brief personal details, education and experience should be addressed to:

G. Ursell-Smith, FCCA, FCMA, ACIS,
Director and Controller, Inco Europe Limited,
Thames House, Millbank, London SW1P 4QF.

Inco

INCO EUROPE LIMITED



Financial Accountant International Publishing

We are a large publishing house with extensive interests throughout the world which are controlled from an international division headquarters based in Oxford.

Due to an internal promotion, we are looking for a young qualified accountant willing to spend up to six months abroad each year. Reporting to the Chief Accountant, the successful candidate will undertake a variety of assignments geared to improving the control and efficiency of local operations. UK duties will include the analysis, review, and consolidation of periodic financial returns.

The post offers great scope for a young, single person with initiative and a desire to broaden his/her horizons.

Salary is negotiable according to experience and there are good supporting benefits.

Applicants should send comprehensive details to Mr D. C. Moody, UK Personnel Director, Oxford University Press, Walton Street, Oxford OX2 6DP. Telephone (0865) 56767.

Oxford University Press

GILT EDGED

A long-established, medium-sized firm of stock-brokers which has a number of different specialist teams and first-class client connections needs an additional gilt edged specialist.

- (1) We are a small, closely-knit group with a balanced capability between mathematical, economic and actuarial contributions and
- (2) We have an excellent technical back-up in-house computer service for gilts.

We are looking for an experienced specialist sales executive. The applicant must be

- (a) able to understand and contribute to the technical standing of the group and
- (b) make adequate contributions as a sales executive.

The remuneration for the right person will be generous and the successful applicant will be given a strong personal incentive to achieve every success.

Please write Box A.7188, Financial Times
10 Cannon Street, EC4P 4BY

WATTS, BLAKE, BEARNE AND CO. LTD.

Marketing Director

of this quoted U.K. company producing raw materials in several European countries, principally for the ceramic industry world wide, requires assistance.

Should interest ambitious, qualified person (preference for ceramic or scientific background) with aptitude for languages, business orientation and will to work.

A successful candidate with commercial flair has excellent prospects.

Apply with C.V. to T. P. V. ROBERTSON

WATTS, BLAKE, BEARNE & CO. LTD., NEWTON ABBOTT,
DEVON TQ12 4PS

GENERAL MANAGER SALES & MARKETING

(Director Designate)

South London

c. £15,000

ROBOPHONE LIMITED, a wholly-owned subsidiary of the EXTEL GROUP, wishes to appoint a General Manager with complete responsibility for the sales and marketing functions. A Board appointment is envisaged within 12 months.

The Company designs, manufactures and markets a wide range of Telephone Answering Systems for industrial, commercial and domestic applications. The task is to develop the existing markets and exploit the new opportunities that will emerge following changes in Post Office policy on telephone attachments.

Candidates must demonstrate a proven record of success in developing and managing a national sales force and an awareness of modern marketing techniques.

The General Manager, Sales & Marketing, will report directly to the Managing Director.

Please write, giving full career details, to:-

Group Personnel Manager
The Exchange Telegraph Co (Holdings) Ltd
Extel House, East Harding Street
LONDON EC4P 4HB

**Extel
GROUP**

FINANCIAL CONTROLLER

E.C.1

£12,500 + Car

Required to assume full control of the computer-based financial and administration function of a group of three companies, themselves all subsidiaries of a public group. The successful applicant will be already holding such a position and must have demonstrated ability to manage and motivate staff in a fast-moving and demanding work environment. Reporting on a daily basis to the subsidiary board with stringent monthly reporting to the holding company. Experience in the handling of foreign suppliers accounts will be a definite advantage. Management of cash flow and credit control features strongly in the work requirement of this demanding job, which could lead to board appointment after a period of two years' proven ability.

Qualified applicants aged 35-40 should apply in writing to:

Kenneth G. Mactavish

Deputy Managing Director

GARLAINE LIMITED

90-98 Goswell Road, London EC1V 7DQ

Management Accountants

c.£8,500

The company, a large engineering and manufacturing concern in Hertfordshire, with considerable order books, is seeking to strengthen its Management Accounting function.

The positions offered cover all aspects of financial control of contracts and involve supervision of small teams of accountants dealing with planning, budgeting, cost control and reporting.

Applicants should ideally be qualified Accountants with some years' experience in industry and be able to show the ability to accept responsibility, meet deadlines and communicate with Managers in other disciplines. Consideration will also be given to newly qualified accountants with industrial experience.

These positions offer genuine opportunities for satisfying involvement in the Company's business future.

Conditions of employment are those appropriate to a major company, and will include relocation assistance where relevant.

PLEASE APPLY IN WRITING quoting reference 149910,

Village Advertising Limited,
30 Wellington Street, London WC2E 7BD

Village Advertising



L. MESSEL & CO.

wish to reinforce their current effort in the sector
by recruiting a

Building Analyst

A minimum of 3 years relevant experience and industry contacts are the qualifications which we are seeking.

The remuneration will be fully competitive.

Reply to:

The Senior Partner,

L. MESSEL & CO.,

Winchester House,

100 Old Broad Street, London EC2P 2HX.

مكتبة النور

Chief accountant**Financial sector****North London c£12,500 + car**

For a soundly based company, specialising in insurance and related products linked to finance, which has expanded rapidly since its formation in 1972 and is well placed for further growth.

Reporting to the Managing Director responsibility is for the financial function. There is a small office staff and systems are computerised.

You should be a Chartered accountant, preferably in your 30's, with sound commercial experience since qualifying. A financial services background would be an advantage. Flexibility and a practical approach are essential.

Resumes including a daytime telephone number to J G Cameron, Executive Selection Division, Ref. C252.

Coopers & Lybrand associatesCoopers & Lybrand Associates Limited
management consultantsShelley House Noble Street
London EC2V 7DQ**Merchant Banking****CHARTERED ACCOUNTANTS**

A major Merchant Bank, one of the Accepting Houses, has two vacancies for Chartered Accountants in its service departments; one vacancy is for a Deputy Chief Accountant, whilst the other is a new position in the Investment Division. Both positions present excellent starting points for individuals seeking careers in merchant banking.

The successful applicants are likely to be in the age range 27-35 with first class career records.

In addition to competitive starting salaries, the substantial benefits which will become available include: low interest housing loan, non-contributory pension scheme with free life assurance, profit sharing, family medical cover, interest-free season ticket loan.

Please apply in writing (with curriculum vitae) to the Personnel Manager

Box FT/623, c/o Hanway House,
Clark's Place, Bishopsgate,
London EC2N 4BJ.

**Pharmaceutical/
Chemical Analyst
Stockbrokers**

A leading firm of Stockbrokers wishes to recruit an analyst to extend its present research effort in the pharmaceutical/chemical sector.

Applications are invited from candidates with several years experience in the pharmaceutical industry or who are already well established in the investment analysis of the sector. An essential requirement is the ability to produce written work to a high standard. An attractive salary plus a first class range of benefits will be offered, reflecting the candidate's ability and record. The position also offers excellent potential.

Please write with details of qualifications and career to date, and stating any firms to whom your application should not be forwarded.

Simon Howard (Ref CRS/184)

Lockyer Bradshaw & Wilson Limited

North West House, 119/127 Marylebone Road, London NW1 5PU.

LBWLOCKYER, BRADSHAW & WILSON
LIMITED**INTERNATIONAL TAX
MANAGEMENT****OIL INDUSTRY****London****c£20,000 + car**

Responsible for the tax matters of substantial oil exploration, production, mining and trading activities in Europe, the Manager will divide his or her time between compliance and creative tax planning. Advising on local tax situations as the company expands into new territories the Manager will work closely with operations management. Promotion prospects are good and it is envisaged that the Manager will need to establish a formal tax department through further recruitment.

Our multi million turnover client explores for and produces oil and minerals worldwide. The company is a partner in major finds in the North Sea with further and continuing exploration activities in Europe and Africa. Aged 27-35, applicants should be qualified accountants with broad corporate taxation experience, ideally with substantial oil industry content. Please telephone or write to David Hogg FCA, quoting reference I/2003.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

McKinsey**Top
Management
Consulting**

Our Milan Office, which has been established for many years, seeks a person with

Information Systems Experience

We offer a challenging career in a multinational environment for a person who has had top level experience in information systems/EDP areas who now wants to broaden his/her exposure to top management problems.

- Candidates should have:
- * A record of success within leading multinational companies or international consulting firms
 - * A deep understanding of modern computer technology, together with extensive experience as a project manager in designing and installing information systems in business and/or financial areas
 - * Be strongly motivated, thus able to cope with new situations in diverse geographical and cultural environments, also be able to handle broad management problems
 - * Hold a good university degree, have at least 4-6 years' relevant experience, and speak Italian and English fluently.

We have extensive internal training and development programmes, while our compensation and benefits match the expectations of the best qualified candidates.

Your curriculum vitae, which will be treated in strict confidence, should be sent to:

Dr. Gianfilippo Cuneo
McKinsey & Company
Piazza del Duomo 22
20122 Milano, Italy

**Financial Controller/
Director Designate****Export Operations c.£12,000+Car**

A rapidly expanding finance company with substantial interests in the export market requires a Financial Controller at its Hammersmith office.

The man or woman appointed will be required to deputise for the General Manager and must therefore have the necessary administrative skills, commercial flair and personality to negotiate at high level with clients, banks and other bodies. A good knowledge of export procedures and practices is essential.

Salary will be negotiable around £12,000 per annum plus company car and attractive additional benefits.

Write with full personal and career details to:

General Manager, UGL, PO Box 983,
Bayswater, London W2.

**UNITED GREENFIELD LIMITED****Fairey****Divisional Managing Director -
Filtration (New Position)****£19,500 + Car**

Fairey are creating a new division to look after its filtration business world wide. This results from acquisitions, the need to coordinate the activities of UK, Dutch and USA based companies and to drive for a larger share of the hydraulics filtration market. This is an excellent position for someone who has run a company and who now seeks greater responsibility as a Divisional Managing Director. Key factors are the application of sound financial discipline and the ability to maximise the benefits of synergy.

Good qualifications in a technical discipline are sought: experience of hydraulics is essential. Extensive travel in Europe and USA is involved.

Preferred age 35-45; benefits in line with the importance of the job.

Applications are invited from men and women, who should write in confidence to Stewart Mitchell or telephone (24 hour answering service) for a personal history form quoting reference M/25577.

The P-E Consulting Group Appointments Division

1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

**Investment Managers**

The expansion of funds under management necessitates the recruitment of two investment managers. Candidates should have several years' experience of UK fund management.

The appointments carry a considerable degree of responsibility and discretion as well as competitive remuneration.

Flemings are widely represented overseas and good opportunities exist for advancement, both in the UK and abroad.

Applicants, of either sex, should write enclosing curriculum vitae to
J.E. Redwood, Robert Fleming Investment Management Limited,
8 Crosby Square, London EC3. Tel: 01-638 5858.

ROBERT FLEMING

**ROYAL SOCIETY/
SCIENCE RESEARCH
COUNCIL
INDUSTRIAL
FELLOWSHIPS**



Fellowships are offered under a new joint Royal Society/SRC Scheme designed to improve communication on science and technology between those in industry and in universities and polytechnics to the benefit of United Kingdom firms or universities. The scheme enables academic scientists, mathematicians and engineers to hold a job and undertake a project in an industrial environment and provides similar opportunities for industrial scientists, mathematicians and engineers to carry out research or course development in a university or polytechnic.

Candidates of PhD status or equivalent, ordinarily resident in UK, Channel Islands, Isle of Man, are invited to submit proposals for awards of from 6 months to two years support. There are no age limits but preference will be given to candidates within an age range of 30 to 45 years. Projects should be within the field normally supported by SRC and involve transfer to work in the alternative sector of employment to that of the candidates' existing employment, which they will retain.

Application forms and regulations may be obtained from the Science Research Council, PO Box 18, Swindon, SN2 1ET (Tel. Swindon (0793) 26222 Ext. 2172).

Applications may be made at any time and results will be announced within 4 months of application.



Franklin Executive Limited
Management and Executive
Recruitment Consultants

TAXATION**The Professional Challenge****Negotiable above £14,000 per annum**

Our client, an international firm of Chartered Accountants, is offering an outstanding opportunity for career development in taxation.

Initially based in an established United Kingdom office, the successful candidate will gradually assume responsibility for the total taxation requirement of Northern Ireland clients and will eventually relocate to Belfast.

Applicants should have a proven record in taxation either as an Inspector of Taxes or a Chartered Accountant.

Preferable age is 27-35 years.

Ring DAVID FRANKLIN on Belfast 43352 for initial confidential discussion and further details.

Ref: FE/04/80

20 Donegall Square East, Belfast BT1 5NP
Telephone 0232 43352

**CompAir****Leaders
in air power**

CompAir is U.K. Market Leader and one of this world's largest suppliers of compressed air equipment with 23 manufacturing sites of which 9 are in the U.K. We sell 65% overseas into 120 countries. We have a

highly decentralised management style but our continued development has created a need for an additional executive to be based at our Group head office in Slough.

**Legal and Secretarial
Services Executive**

Reporting to the Director of Accounting Services, the executive will provide legal and secretarial services for the CompAir

Group. In addition to company secretary functions, responsibility will include patent protection, contracts and agreements, litigation, property acquisition, disposal and management, insurances and other HQ administration functions.

The position requires legal and company secretarial qualifications and experience, ideally from a base in accountancy. The age range is 35 to 45. Salary will be between £10,000 and £12,000 with a car and the

usual benefits. Candidates (men or women) should write fully, marking the envelope FCL, to M.B. Edwards, Director of Organisation Development, CompAir Limited, Brunel Way, Slough, Berkshire, SL1 1XL.

Financial Planning**London
to £15,000**

ICL is continuing its rapid growth in one of the most exciting and challenging markets of the 1980s. In order to support this expansion, considerable emphasis is placed throughout the Group on effective systems of financial planning and control.

The Profit Planning Manager in the Corporate Controller's department plays a key role in developing the financial planning process for the Group and analysing the plans and forecasts of the operating units. We are now seeking a successor to the existing manager who, as part of his planned career development, is moving to our European HQ in Paris.

The successful candidate, male or female, should have an accounting qualification or business degree, relevant experience and skills and a good track record in a major multi-national company.

There are excellent career prospects both in UK and overseas, and candidates should have the potential to achieve senior financial management positions.

Please write, with full career details, to J. Llewellyn-Davies, ICL, 85-91 Upper Richmond Road, London SW15 2TE or telephone him on 01-788 7272 extn 4233, quoting ref FT 2007.

**International
Computers**

think computers—think ICL

**Financial Accountant****Herts/London Border to £10,000**

This is a new appointment resulting from the continuing success of our clients who have a £5m turnover and are a self-contained company, part of a large multinational with diverse high-technology interests. The person appointed will report to the Financial Controller and be responsible for a small section using computer-based systems. He or she will produce regular management accounts, analysing performance against forecast and will assist in developing formal budgets and other plans. This is an ideal opportunity for a young man or woman who has recently qualified to take on real responsibility and be exposed to sophisticated systems of financial control. Ref. 1522/FT. Apply to R.A. PHILLIPS, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter

Selection Consultants

FINANCE OFFICER**£10,391-£11,321**

Applicants are invited for the above appointment from persons with suitable professional qualifications and preferably with experience in education, administration or finance either in a college or in Local Government. Salary will be within the above range, inclusive of all allowances, due for review 1st July 1980. Details may be obtained from:

The Staffing Officer,

Polytechnic of the South Bank

Borough Road, London, SE1 0AA Telephone: 01-928 8989 Ext. 2023.

Newly Qualified ACA/ACMA/ACCA Planning N. London c. £10,000

* A successful food company, subsidiary of a US multinational, is seeking to appoint a recently qualified accountant as its Business Planner.

* The position offers a high degree of involvement in all aspects of the UK company's planning and forecasting and requires a very commercial and business oriented outlook. There is substantial communication and liaison with all levels of management, the US parent and other affiliates worldwide.

* Your experience to date need not necessarily be in fast moving consumer goods, but some exposure to US management styles and reporting techniques would certainly be preferable and ideally within a large, multibusiness environment.

Please reply in confidence, quoting Ref. U863/FT, giving concise personal, career and salary details to R.G. Billen - Executive Selection.



Arthur Young Management Services
Rolle House, 7 Rolle Buildings
Fetter Lane, London EC4A 1NL

Financial Controller

Nr. Basingstoke to £13,000 + Car

The company is a well established manufacturer of materials handling equipment and employs some 260. It has a turnover of £6m with a good record of profitability and is part of a substantial quoted British group.

This position offers real involvement in all aspects of the business. It takes full responsibility for all accounting and financial control and for the provision of concise, pertinent management information. The Financial Controller - who will report to the Managing Director - must be keen to play an active, effective management role in the company.

In addition to a recognised accounting qualification the person appointed will have several years line accounting experience in industry and ideally be in his/her 30s.

Please reply in confidence, quoting Ref. U870/FT giving concise personal, career and salary details to R.G. Billen - Executive Selection.



Arthur Young Management Services
Rolle House, 7 Rolle Buildings
Fetter Lane, London EC4A 1NL

Financial Director

For an international private company with interest in the aviation industry, turnover around £8 million. Middlesex-based. Responsibility for a small headquarters staff and ensuring that functional management overseas is effective. As a member of the Group Management Team, priorities will concern formulating policy and controlling the international business development of a dynamic group.

An accounting qualification and successful record embracing international business operations are the requirements. Preferred age: 30s. Salary negotiable: range £13-15,000.

Ref: R2514/FT
REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60A Knightsbridge, London SW1X 7LE
Tel: 01-235 6661. Telex: 272724



A member of PA International

GROSSMEAD INTERNATIONAL LTD.

Situated in Hong Kong seeks the services of an experienced COMMODITY BROKER in London on a commission basis. Call The Chairman on 0274 23045 after 7 am any evening.

Managing Director Communications Consultancy

A business consultancy with consulting fees of over £30 million world-wide has formed a subsidiary company to co-ordinate existing communications activities and to develop substantial new business. The company advises chief executives and other senior managers on effective communications within their organisations and with their relevant external publics. This appointment involves full accountability for the business. Candidates must have a record of successful business development, preferably in the field of communications or management consul-

tancy. An understanding of the principles as well as the techniques of communications and management experience in industry are both desirable. Starting salary is negotiable and will not be a limiting factor. Future earnings will increase with achievement and will include profit share. A car is provided.

Please write with full details, listing separately organisations with whom your application may not be discussed, to B.G. Woodrow, 17 Stratton Street, London W1X 6DB. Ref: TE 1679.

This appointment is open to men and women.

Managing Director Zimbabwe £24,000+, House and Car

Due to normal retirement, we seek a thoroughly competent all-rounder for Stewarts and Lloyds group operation in Zimbabwe.

You will be directing all investments in Zimbabwe, which include manufacturing and distribution activities covering a wide range of steel and engineering based products. A mature professional businessman with engineering orientation, probably in your forties, you need to show a record of achievement in general management. Professional engineering and commercial qualifications plus African experience are advantageous. Based in Salisbury, with excellent conditions and benefits to attract a man committed to the growth and development of his company and Zimbabwe.

Please write, in confidence, giving qualifications and experience under ref. 1673/LHIFT to:



24 BERKELEY SQUARE, LONDON W1X 6AR

APPOINTMENTS ADVERTISING
RATE £19.50
PER SINGLE COLUMN
CENTIMETRE

Chief Accountant

City/Essex

c.£12,000

+ car + benefits

Our client is a privately owned insurance group with a fine trading reputation in the City, and a sound profits record to fund future development. A new division is being created as part of this development of their insurance broking and advisory service to both professional and corporate clients.

The primary responsibility of the Chief Accountant will be the leadership of a large accounting department (based in Billericay, Essex), which is currently developing computerized accounting, and the firm financial management of the division.

The candidate will be a mature qualified accountant (aged 35-45) who is able to demonstrate both leadership capabilities and a sound commercial sense, need not necessarily be from an insurance background.

Call Doug Edmondson MBA on 01-248 6321

Personnel Resources Limited

HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS. 01-248 6321
TOP ECHELON EXECUTIVE APPOINTMENTS

Executive Search

Croydon

£20K + car

As part of our continued expansion, we require an experienced Consultant to lead a team engaged in Executive Search. An early appointment to the board is envisaged.

Must have excellent contacts throughout industry and the City and be able to participate in business development.

Rewards will be negotiable but include an attractive base salary plus generous bonus payments, in addition to a pension, medical cover, etc. Please apply personally to me, Jack Taylor, Chairman, Jackson Taylor International Limited, Court Chambers, 2 Coniscliffe Road, Darlington DL3 7RG. Telephone 0325 55426.

Jackson Taylor International Limited

Top Executives

If you are finding your talents wasted - we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results. After evaluating your full potential we direct you through every stage of the job search, furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed. As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8EB. Tel: 01-493 1309/1065

Financial Controller

Stockbrokers £12,500-£15,000

A leading firm of London stockbrokers wishes to appoint a Financial Controller.

The person appointed will be responsible to the Financial Committee for all accountancy and financial matters, including contact with auditors and the control of new computerised systems.

This is an excellent opportunity for a young Chartered Accountant, who wishes to develop a career in stockbroking, to take full responsibility for financial control. Career prospects include the possibility of an appointment to partnership.

Candidates should have a strong, tactful personality, suited to this environment, supported by appropriate professional or commercial experience.

In addition to the salary an attractive bonus may be offered, together with the usual benefits.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Janet Tilton, Personnel Services Division of—



Spicer and Pegler
Management Consultants,
St. Mary Axe House, 56-60 St. Mary Axe,
London EC3A 8BJ.

International Recruitment Specialists for the
Commodity Markets

Commodity
Appointments Ltd
116 Shaftesbury Avenue
London W1
01-493 1701



Commodity
Appointments Ltd
116 Shaftesbury Avenue
New York, 10020
212-692 8340

Senior Cocoa Trader

c. £15,000-£20,000 plus benefits

A senior cocoa trader is required by a leading International softs commodity trading concern to head and motivate the physical trading department. The appointed person will also have a good knowledge of trading cocoa from origin, particularly Brazilian.

Soya Bean Trader

c. £15,000-£20,000 plus benefits

A trader with an in-depth knowledge and experience of trading US and Brazilian soya beans and soya bean meal is required by a well-established London based commodity company. The successful candidate will control the division. Some chartering experience an advantage.

01-439 1701 (212) 482 8340
London New York

Assistant Controller

W. London

to £13,000 + car

This is a new position and reflects the growth and complexity of our client's business as well as an increasing awareness of the contribution that sound administration and strong financial control can make to the company's future. Part of an international Group, they employ over 300 people and supply specialised products and services to a wide range of industries. The person appointed will take responsibility for a complete accounting function involving 10 staff using computer-based systems which are currently being upgraded to provide on-line processing. Applicants (male/female) should be qualified accountants in their early 30s who have had experience of managing staff and are used to operating to disciplined professional standards. Ref: 1521/FT.

Apply to R. A. PHILLIPS, ACIS, FCII, 3 De Wenden Court,
85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter

Selection Consultants

EUROBONDS

We are currently retained by two leading International Banks to recruit the following:-

- SENIOR TRADER —
- F.R.N. TRADER —
- SALES PERSON —

The requirement in all cases is for fully experienced personnel from active market names. Salaries are competitive and fully negotiable and a full range of benefits is offered.

Please contact in strict confidence: Mark Stevens

BANKING PERSONNEL
4142 London Walk, London EC2. Telephone: 01-588 0761

(RECRUITMENT CONSULTANTS)

A profitable and expanding subsidiary of an international manufacturing and engineering services group require a:-

Financial Controller

This appointment requires a fully qualified accountant, ideally with some industrial or manufacturing experience to cover both the financial management and company secretary responsibilities.

There is considerable promotion potential in this widely spread group. The position is well suited to an ambitious, married and newly qualified accountant with long term interest in general management. The remuneration package is generous and carries the usual overseas benefits as well as a profit related bonus.

American Virgin Islands Age 25-30 Salary circa \$28,000 + car
Candidates wishing to apply should contact me as soon as possible quoting R.P.

Robin R Whalley
INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants) Cable: Tiltons, London, SW1. Tel: 912881
Greene House, 66/68 Haymarket, London, SW1Y 4RP. Telephone: 01-535 16214 & 01-535 2857

Banking Accountant

International Merchant Bank

Aged 40/56
To £12,000

Our client, a leading consortium bank, seek an experienced Banking Accountant to join them as a deputy to the Chief Accountant.

He/She will take specific charge of two major sections of the Accounts Department and have a general supervisory role over the whole. The job calls for considerable experience built up over many years of banking and accounts. Responsibilities will include overall charge of the administration of the Bank's monthly and annual accounts. The Department is fully computerised and is in the process of moving into a new generation of equipment.

The appointment calls for someone of considerable maturity and experience who can contribute to the strength of a young and enthusiastic department.

The essential prerequisite is practical experience, formal qualifications are not essential but a banking and/or accountancy qualification would be an added bonus.

The salary package, comprising a basic and certain allowances, will be up to £12,000. In addition there are the normal banking benefits including subsidised mortgage.

Please write with full details to Colin Barry at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry **OSIB**

Young A.C.A. Corporate Accounting to Line Management

Surrey to £9,500

One of the world's most advanced high technology industrial corporations is currently offering an exceptional opportunity to a recently qualified Chartered Accountant.

Rapidly acquire invaluable financial management experience encompassing financial and management accounting, budgeting, financial analysis, planning and reporting.

Candidates, ideally aged between 23/30, should be recently qualified Chartered Accountants with the desire to gain a broad base of expertise. Please phone or write quoting ref: IG 3836.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

Accountant

American International Bank

As a major International Bank with European Headquarters in London and an extensive network of branches and subsidiaries worldwide, we are looking for an Accountant for the Operations Division.

Responsibilities include the preparation of management accounting, financial reports and information required for senior management.

Applicants should ideally be part-qualified in a recognised accountancy qualification, with several years' practical experience in general or bank accounting.

In addition to an attractive salary, benefits include mortgage and personal loans at reduced interest rates, non-contributory pension scheme and subsidised restaurant.

Applicants should contact: Brenda Morgan, Continental Bank, Continental Bank House, 102 Queen Victoria Street, London EC4V 4BS. Tel: 01-236 7444.

The bank of opportunity
CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago

1981

A vintage year for us
— how about you?

FINANCIAL ACCOUNTANT

In 1981 our client, a major insurance company, will be moving to a superb new location in Wiltshire. At the moment the Head Office is based in the City and we are looking for a qualified Financial Accountant to replace the retiring incumbent. In an age range 28-35 you will have a sound commercial background, preferably although not necessarily, gained in an insurance environment with the experience to maintain financial control and make an effective contribution within a management team reporting to the Chief Accountant.

The benefits package is outstanding with basic salary up to £11,000, reduced rate mortgage and a very generous relocation package.

For further information, ring T. Kay at the number below or write for an application form quoting reference TK123.

D. P. RECRUITMENT LTD.

FREPOST 38, LONDON W1E 6JZ
TELEPHONE 01-434 2042 (24 HOURS ANSWERPHONE)

FURMANITE

(a private company offering world-wide industrial leak sealing and associated engineering services through autonomous subsidiaries, with a turnover of £15m) seeks an

OVERSEAS BUSINESS DEVELOPMENT MANAGER

WITH POTENTIAL TO PROGRESS TO GENERAL MANAGEMENT AT BOARD LEVEL

Applications are invited from persons aged 30-45 with several years experience in selling or marketing at senior level in the engineering or industrial services field. The successful applicant, who will report to the Group Managing Director, will be responsible for the future development of all aspects of our Continental companies and their diversification in line with group policies. Frequent and extensive travel will be necessary to make a success of this appointment. Previous profit responsibility and knowledge of European languages would be an advantage. The position is based in the Kendal area and the normal executive benefits will apply, including a company car and relocation expenses. Salary will be no barrier for the person who has the requisite drive to fill this demanding appointment.

Apply in confidence to:
The Managing Director
Furmanite International Limited
Dockray Hall Road
Kendal Cumbria LA9 4RX

Business strategy

Top accounting consultants



We are one of the largest British and international management and economic consultancies and offer exceptional challenges — and opportunities — to outstanding graduate accountants, aged 29-32, who can undertake profit improvement, financial planning and corporate development studies.

We offer:

- an initial remuneration package worth up to £14,000 pa
- demanding assignments, often working in multi-discipline teams
- opportunities to work overseas
- rapid career and earnings progression

Resumes including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. SF20/58.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

INVESTMENT ANALYST—U.S.A.

INVESTMENT ANALYST

required for major fund based in London
with extensive U.S. portfolio.

It is essential that applicants have had good
experience in this field.

Excellent salary and full range of fringe benefits
including relocation expenses.

When replying, please enclose curriculum vitae and send to:

Box A.7199, Financial Times
10 Cannon Street, EC4P 4BY

GO AHEAD CO. in S.W.15 require qualified accountant (28-35) to join young team. Real career opportunity for ambitious applicant. Excellent salary + car. Please write. Box A.7252, Financial Times, 10, Cannon Street, EC4P 4BY.

CREDIT MANAGER Salary Negotiable
To work closely with the Finance Director in marketing and synchronizing credits in the very active shipping sector of an American bank. Experience in shipping or similar financial field essential.

FOREIGN EXCHANGE DEALER £10,000 Plus
A Dealer with 2 1/2 years' experience in Spot and Forwards markets to be 2nd Dealer and deputy to Chief Dealer is being urgently sought to join a small but expanding operation. Experience in Sterling, Dollar and other currency deposits and arbitrage an advantage.

PROJECT ASSISTANT £8,500 neg.
To assist the Assistant Manager Financial Services in a multinational bank on ad hoc projects and general accounts duties: i.e. Management reports etc. Banking background essential, accountancy qualifications an added advantage.

CREDIT ANALYSTS £7,000-£8,000
Two well established banks with active lending sectors are seeking analysts with 2 1/2 years' corporate and bank risks experience. Languages a distinct advantage.

ASSISTANT AUDITOR £6,000+ neg.
An Internal Auditor with 3 1/2 years in international audits is required by an international bank, where prospects for progress are excellent. Duties will cover all aspects of bank audit, plus computerised accounts systems and Data Centre.

As we are constantly being asked to provide temporary staff at the high calibre of our permanent staff, we would be pleased to hear from you if you are seeking TEMPORARY ASSIGNMENTS

LJC Banking Appointments
01-283 8953—for an immediate appointment

J. HENRY SCHRODER WAGG & CO. LIMITED

have a vacancy for an experienced

Foreign Exchange Dealer

aged 25-30 to deal in short date and forward cable. The successful applicant must have a minimum of 4 years' experience. The salary will be negotiable and the Company's standard conditions of employment include four weeks' annual holiday, a non-contributory pension scheme, a mortgage subsidy scheme and a family medical insurance scheme.

Applications in writing giving details of age, education, qualifications and experience should be addressed to:

Mr. John R. Lambert,
J. Henry Schroder Waggs & Co. Limited,
120 Cheapside,
London, EC2V 6DS.

BUXTON'S & M.M.B. LTD.

require a

Local Authority Dealer

with knowledge of

Inter Bank market

Salary and terms negotiable

Please reply in strict confidence to:

The Managing Director,
Buxton's & M.M.B. Limited,
80 Cannon Street, EC4N 6LJ.

APPOINTMENTS WANTED

MANAGING DIRECTOR of successful small manufacturing firm, seeks new employment due to recent takeover. 53 yrs. old, congenial workaholic with first class administrative skills, adaptable approach. Position sought in stimulating environment where job satisfaction more important than status. Greater London Area. Salary Negotiable. Write Box A.7205, Financial Times, 10, Cannon Street, EC4P 4BY.

2 ENGLISH WOMEN

TEACHERS

Fluent French and Farsi, Typing, seek work Tehran. Urgent.
01-955 6942

W.N. MIDDLETON & CO.

INSURANCE ANALYST

We have a vacancy in our Research Department for an Assistant with experience in either Investment Analysis or the Insurance Industry. The job entails statistical coverage of the composite and life sectors and the candidate will, in due course, be expected to contribute written work for inclusion in our research publications.

A competitive salary and bonus is offered and the preferred age is 20-25.

Please apply in writing to

Peter Stokes,
W. N. MIDDLETON & CO.,
78 Old Broad Street,
London EC2M 1JE.

Career Opportunity in Underwriting

There is now an outstanding career opportunity in the Financial Services Division of the American International Group in their London (City) Office. The Division specialises in underwriting political and allied risks and other financially orientated insurance covers.

Candidates will be in their early to mid-twenties, possess a working knowledge and an understanding of Balance Sheets and Accounts and have a University Degree or similar qualification. Insurance experience is desirable but not essential. Ability to work under pressure and on own initiative is necessary as early responsibility will follow an initial orientation and training period which will take place in London and New York.

Salary is not a limiting factor being dependent upon age, experience and potential.

Please write in confidence giving full details of education, experience and salary progression to:



David Healey,
Personnel Manager,
American International
Underwriters (London) Ltd.,
12-14 Sydenham Road,
Croydon CR9 2LG.

FINANCIAL CONTROLLER

The newly appointed Managing Director of a small importing/distributing Company in South West London is seeking a mature, qualified Accountant to take full responsibility for the reorganisation and running of the Accounts Dept. Success will lead to commercial involvement and, possibly, a Directorship.

It must be emphasised that the type of person required must be prepared to contribute 110% involvement—without guarantee or security—for the appropriate financial rewards.

For appointment for interview
please contact M.D.'s Secretary
on 01-223 9680

COMPANY SECRETARY/ACCOUNTANT

An engineering service company, with a turnover of about £1.6m, providing specialist services to horseracing and other sports at home and abroad seeks a

CHARTERED ACCOUNTANT aged 30-40 as Company Secretary to replace a previous person promoted from the appointment.

Excellent conditions include a good salary, allowances, pension, life insurance, subsidised meals and other benefits including involvement with racing. The successful candidate will report to the Managing Director and be responsible for financial and materials control, personnel, industrial relations, legal, insurance, secretarial and general administrative functions.

Qualified applicants accustomed to work at a senior level and with sound experience in the majority of the above fields should write or telephone for application form from:

Managing Director,
RACECOURSE TECHNICAL SERVICES LIMITED,
88 Bushey Road, London, SW20 0JL.
Telephone: 01-947 3333

LEGAL NOTICES

NOTICE OF SALE BY AUCTION OF REAL ESTATE COURT IN ROME EXECUTION No. 34.208

ASKED by Cassa di Risparmio delle Provincie Lombarde (Cariplo)
AGAINST Alessandro Miani and Beatrice Jolanda de Dampierre

Please be informed that during the Sitting of October 15, 1980, at 11 a.m., before Judge Dr. Cardillo, will start the sale by auction in bulk of the Real Estate called "VILLA MIANI" located in a very panoramic area in Rome, Monte Mario and with entrance from 151, Via Trionfale.

The Real Estate includes the Manor House, three cottages, a large secular park with swimming pool, tennis court and greenhouses. It is registered with N.C.E.U., Entry No. 126444. Sheet No. 369, Lot Nos. 9, 10, 15, and with the Landed Property Register, Sheet No. 369, Nos. 3, 4, 6, 17, 5, 7, 11, 18, 20, 81, 82, 21, 143, 145, 292, 293, 294, 295, 296, 297, 298, 12, 54, 8, 9, 10, 14, 15, 16, 19, 67, 91, 92, 97, 150.

MINIMUM PRICE fixed at 2,400,000,000 lire. DEMAND WITH DEPOSIT equal to 30 per cent of the minimum price (15 per cent of which for caution money and 15 per cent for transfer taxes, charges and other costs).

OFFERS OF INCREASE OF MINIMUM PRICE SHOULD NOT BE LESS THAN 100 MILLION LIRE. Payment of the remaining amount to be effected within thirty days from the adjudication to CARIPLO for its credit (with possibility of partial taking) and within forty days to the Record Office of the Court for the residual sum.

Further information can be obtained from the Responsible of the Record Office, Dr. Calella.

LEGAL NOTICES

IN THE MATTER OF
MICHAELSON & AUSTIN LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 23rd day of July, 1980, to send in their full claims and statements of their debts (if any), to the undersigned Keith David Goodman, FCA, of Leonard Curtis & Co., 3/4 Benetick Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 11th day of June, 1980.
J. D. GOODMAN, Liquidator.

STRIKERS PUBLICITY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 283 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Benetick Street, London W1A 3BA, on Friday the 27th day of June 1980 at 12 o'clock midday, for the purpose provided for in Sections 284 and 285.
Dated the 12th day of June 1980.
JOHN VON KOTZE, Director.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

THE 61st ORDINARY GENERAL MEETING of shareholders of Mitsui & Co. Ltd., will be held on June 30, 1980.

AGENDA:
1) Approval of the Financial Statements and the Proposed Appropriation of Profits for the 51st Business Year (from April 1, 1979 to March 31, 1980).

2) Partial Amendments of the Articles of Incorporation.
3) Election of 2 Directors.
4) Election of 2 Auditors.
5) Presentation of resolutions to retiring Directors and Auditor.

Full and complete instructions for exercising their voting rights are available at Mitsui & Co. (London) Branches in:

Branches in: Bank of Tokyo
Brussels
Düsseldorf
Hong Kong
London
Milan
Paris
Frankfurt

Branches in: Citibank (London) Branch S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

Branches in: Citibank S.A., Luxembourg
Citibank S.A., Luxembourg
Citibank S.A., Luxembourg

A FINANCIAL TIMES SURVEY

COPPER

JULY 30th 1980

The Financial Times proposes to publish a Survey on Copper. The main headings of the provisional synopsis are set out below:

- (1) INTRODUCTION
- (2) CONSUMPTION
 - (a) Electrical Engineering
 - (b) Transportation
 - (c) Construction
 - (d) Mechanical Engineering
- (3) PRODUCTION
- (4) PRICING

For further information please contact:

Simon Hicks
Financial Times
Bracken House, 10 Cannon Street
London EC4P 4BY

Tel: 01-248 5115 or 01-248 8000, Ext. 211

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The contents, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

More important than palm trees

BY HUGH O'SHAUGHNESSY

"WE'VE HAD a lot of help from the Norwegians in recent times—of course the Norwegian government is social democratic like us. But other European governments which are decidedly not social democratic, like the Swedes and the Dutch, have also pitched in with aid." I had just come back from the fevered atmosphere of Havana the other day and the words of the Prime Minister of Jamaica as we chatted over a cup of coffee in London came as a great comfort.

(Here I entreat those of you who are bored with Caribbean politics or who feel that Mr. Michael Manley is a limb of Satan to go on reading. It is precisely to you that I am directing my remarks.)

In Cuba I had had a week's exposure to the official sponsored hysteria that the Castro government is whipping up against those who have been bold enough to signal their desire to leave the island and emigrate to Florida or wherever.

Rather die

Now most of the O'Shaughnessy family would rather die than live in Florida (I say most because we have a little domestic problem with Frances who at 18 so wants to get to the States that it hurts. Many of you will know what a teenage daughter can be at times.) But then some of us would also rather die than live in Angmering-on-Sea. The point is not so much our own taste but the fact that we feel that people should be allowed to live in what country they like and certainly to leave a country they don't want to live in any more.

If they think they want to live in Florida and then get a fright when they get there, we feel they must chalk that up to experience. But just as we feel that the Cubans should be allowed to emigrate without hysterical group hatred being whipped up against them, we also stand to reason that the continuing hysteria in the U.S. about any government such as Jamaica's in the Caribbean which is not at least 51 per cent pro-State Department and pro-Pentagon needs to be exercised. The relationship between the U.S. as a superpower and the

tiny and increasingly rebellious mini-states of the Caribbean and Central America seems to me to have become too convoluted, ingrown and tense for anyone's good. It seems high time for some other countries—and none better than the level-headed Scandinavians—to enter the debate on the future of the area. That is why I rejoiced when Manley said he was getting help from such as the Swedes and the Dutch.

The Swedes and the Dutch know what many of the rest of us know—that is, that Manley sitting in his tiny island of 5m people is no more a threat to world peace and all that the U.S. holds dear than is the Loch Ness Monster. And if Washington can't accept that Manley himself it might accept it from the conservative governments in Stockholm and the Hague. They could add that if socialist governments are allowed to be members of NATO, they should be allowed in the Caribbean. And while European governments might be able to interpret Jamaica and the rest to Washington they might also be able to act as convenient shock absorbers between the States and Cuba, or the newer and more heady governments in Nicaragua or Grenada. The Cubans and Nicaraguans and Grenadians need to be told that Washington is not the abyss of all evil, however much it seems like it to them. The Cubans, it should be added, are constantly giving signs that they would like other friends in the world than the lumbering Russians.

Involved role

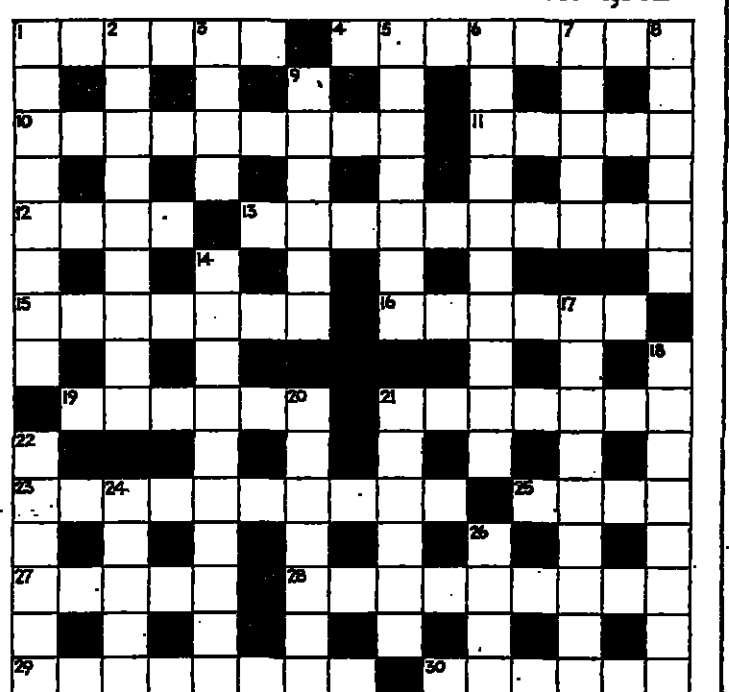
So all in all, isn't there a case for Western Europe to take a more active and involved role in the Caribbean and Central America?

And I would remind those who still don't see why the politics of the Caribbean should trouble us in Europe that the world has never been closer to being burnt to a crisp than when the USSR and the U.S. were engaged in the missile crisis over Cuba. It has been my firm view since that crisis that relations between the U.S. and the Caribbean are much too important just to be left to the Americans and the Cubans.

Files and Dinky Dog. 5.05 John Craven's Newsworld. 5.10 Blue Peter.

5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide. 7.05 Tomorrow's World. 7.35 Are You Being Served? 8.05 Taxi. 8.30 That's Life Report. 9.00 News. 9.25 Square Mile of Murder. 10.20 Uncle Sam's Backyard. 10.50 All About Books with Russell Harty. 11.25 News Headlines. 11.27 Tommy Trinder. CBE, recalls his life in show-business. 12.07 am Weather / Regional News.

F.T. CROSSWORD PUZZLE No. 4301



- ACROSS**
- Shoot a gullible person (6)
 - Planner in favour of model (8)
 - Plant making precious metal money staff (6-9)
 - Former turn that is precise (5)
 - Horse-fly initially caught by leg (4)
 - Reserve goalie may be an accountant (10)
 - Drag snake with tip of its tail in tower (3-4)
 - Gang the French cherish (6)
 - Money would be turned round for currier (6)
 - Approved notice and chose to follow (7)
 - Two items of tableware seen in shop window (5-5)
 - Stuff to overfeed (4)
 - Spot a learner referring to dowry (5)
 - George giving gold to religious crowd (9)
 - Judge a piece of hi-fi equipment (8)
 - ... and another piece for sportsman (6)
- DOWN**
- Wisdom contained in legend on large town (8)
 - Pass bond for friend (9)
 - Jug animal before toasting initially (4)
 - Communist's family could be Indian (7)
- Instrument from the south is high in pitch (5)**
- Come back to soak vessel (6)**
- Test fish going around front of yacht (3-5)**
- Grain seller is to trade in secret place (4-5)**
- Delayed a partial recovery of the side (9)**
- Rodeo met in unusual order, but it should indicate the distance travelled (8)**
- Discharge soldiers on contract (7)**
- The entire property of a company as fixed on September 1 (6)**
- Archmid needing a rest on billiard-table (7)**
- Room at the top in Greece (5)**
- Love friend to make precious stone (4)**
- Solution to Puzzle No. 4300**
1. SHOOT A GULLIBLE PERSON (6)
2. PLANNER IN FAVOUR OF MODEL (8)
3. PLANT MAKING PRECIOUS METAL MONEY STAFF (6-9)
4. FORMER TURN THAT IS PRECISE (5)
5. HORSE-FLY INITIALLY CAUGHT BY LEG (4)
6. RESERVE GOALIE MAY BE AN ACCOUNTANT (10)
7. DRAG SNAKE WITH TIP OF ITS TAIL IN TOWER (3-4)
8. GANG THE FRENCH CHERISH (6)
9. MONEY WOULD BE TURNED ROUND FOR CURRIER (6)
10. APPROVED NOTICE AND CHOSE TO FOLLOW (7)
11. TWO ITEMS OF TABLEWARE SEEN IN SHOP WINDOW (5-5)
12. STUFF TO OVERFEED (4)
13. SPOT A LEARNER REFERRING TO DOWRY (5)
14. GEORGE GIVING GOLD TO RELIGIOUS CROWD (9)
15. JUDGE A PIECE OF HI-FI EQUIPMENT (8)
16. ... AND ANOTHER PIECE FOR SPORTSMAN (6)
17. WISDOM CONTAINED IN LEGEND ON LARGE TOWN (8)
18. PASS BOND FOR FRIEND (9)
19. JUG ANIMAL BEFORE TOASTING INITIALLY (4)
20. COMMUNIST'S FAMILY COULD BE INDIAN (7)

THE CENTRE for Commercial Law Studies will be opened tomorrow by Lord Hailsham, the Lord Chancellor, at the Queen Mary College on the eastern fringe of the City of London. The purpose of the centre will be to promote advanced teaching and research of business law—English, foreign and international.

The centre will not be an international law school as advocated in this column recently but will strive for international standing. It plans to establish links with governments, industry and finance and will be arranging interchanges of leading commercial lawyers. There will be advanced courses and seminars for lawyers in industry and in practice, as well as co-operative research projects.

The primary objectives are to provide a centre of excellence for the systematic study of laws regulating national and international commerce and trade and to develop a body of knowledge and information that can be placed at the service of government, the legal profession and industry and commerce. A particular concern of the centre will be to identify legal problems of the future arising from changes in business practice, the development of computer technology—for example, information systems, electronic funds transfer in banking—and the growing

Gold Cup for Ireland

IN ONE of the most open Ascot Gold Cups for many years I believe it may pay backers to take an each way interest in Ireland's sole representative, Ardross, a bay colt by Run The Gantlet out of a Levymare mare.

Although the form of Christy Roche's mount is patchy, a reproduction of his most recent running will see him proving a formidable opponent for six

over market rival, Croghan Hill, with another well-backed Irish, Hypermetric, a further three lengths away. The manner in which Roche's mount was running on these suggests that the additional half-mile of today's race will present no problems.

With Le Moss, the comfortable winner a year ago, having been beset with training problems the Warren Place five-year-old is not one I would care to take a chance with in this searching test. A better alternative is probably Vincent.

There was a great deal to like about the way in which Kirtling shaped in a 20 runner maiden race at York last month where the Wrangle colt, a bay by Grundy out of Silky, would have beaten Parkdale but for losing ground during tacking over to the far side from a high draw. The Newmarket colt will be well suited by six furlongs which he

tackles for the first time in the Chesham Stakes. Thirty-five minutes after the Chesham, Stanislavsky strikes me as the one they will all have to beat in the King George V Stakes. This ever-improving colt from the Flindon stable of Ryan Price, which is beginning to strike a rich vein, put up a fine performance at Haydock last time out.

Lester Piggott, seen at his most artistic on Hard Fought at Ascot yesterday, has a number of likely-looking mounts including that colt's stable mate, Lord Seymour, in the Cork and Orrery.

ASCOT
2.30—Lord Seymour
3.05—Tax Haven*
3.45—Adress**
4.20—Saviour
4.55—Kirtling
5.30—Stanislavsky***

ANGLIA
12.30 pm Against the Wind, 1.20 Anglia News. 3.45 Looks Familiar. 4.15 The Bubbles. 4.25 Rocket Robin Hood. 4.45 The Next Step. 5.15 News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News. 10.00 The News. 10.15 The News. 10.30 The News. 10.45 The News. 11.00 The News. 11.15 The News. 11.30 The News. 11.45 The News. 12.00 The News. 12.15 The News. 12.30 The News. 12.45 The News. 1.00 The News. 1.15 The News. 1.30 The News. 1.45 The News. 2.00 The News. 2.15 The News. 2.30 The News. 2.45 The News. 3.00 The News. 3.15 The News. 3.30 The News. 3.45 The News. 4.00 The News. 4.15 The News. 4.30 The News. 4.45 The News. 5.00 The News. 5.15 The News. 5.30 The News. 5.45 The News. 6.00 The News. 6.15 The News. 6.30 The News. 6.45 The News. 7.00 The News. 7.15 The News. 7.30 The News. 7.45 The News. 8.00 The News. 8.15 The News. 8.30 The News. 8.45 The News. 9.00 The News. 9.15 The News. 9.30 The News. 9.45 The News.

THE ARTS

Aldeburgh Festival

Britten and Auden

The young Britten's music for live-action enterprises, like the GPO Film Unit and the Group Theatre, is less important for its own qualities (though they are not negligible) than for the experience it gave the budding opera composer. That he did not make the survey undertaken at the Jubilee Hall on Monday less valuable. Such a survey was overdue and Aldeburgh was the place to do it. And in Aldeburgh, the Jubilee Hall was the right venue for some of the best music of the "good works" aspect of English culture and of the puritan streak that likes indulgence in the arts to be partly atoned for by physical discomfort.

This programme, devised by Stuart Bedford (who provided two of the four hands at the piano), and Donald Mitchell (who acted as compère) was otherwise played, sung and acted by students from the Guildhall School of Music and Drama. It embraced the Auden-Isherwood Ascent of F6 in an abridged version made for the occasion by Jill Burrows and Geoffrey Collins, some music from the same authors' *On the Frontier*, a scene from Priestley's *Johnson overboard* (how many remember that Britten wrote the incidental music for that play?), a number from *Paul Bunyan* and the "Impenetrable Collier" from the film *Coalbrookdale*.

At the Sunday afternoon concert by the Aldeburgh Festival Singers and the English Symphony Orchestra under Peter Anthony, the choir was heard to best advantage in a vigorous Mozart Requiem. In the first half balance was so-so and the manner too heavy for the Choral Dances from *Gloriana*, where the unaccompanied voices must (but scarcely did) suggest dancing.

RONALD CRICHTON

Stratford, Ontario

At the Festival Stage by B. A. YOUNG

The climax of the first week at the Festival Stage, Stratford's biggest theatre, came with *Much Ado About Nothing*, which opened, God save us, on Friday the 13th. We happy few have seen Maggie Smith's incomparable Beatrice before, in Zeffirelli's production at the Old Vic; but we have not seen her before play it opposite Brian Bedford.

Mr. Bedford (to ignore the traditional courtesy of ladies first for once) has become an actor in the top flight. His Benedick slouches on as if he were still on active service; the beard that so discourages Beatrice is more likely due to idleness about shaving than any touch of personal vanity. And he is still a soldier all the way through, scolding Balthazar's ornate "Sigh no more," confessing his inability at poetry. But his military wit sounds wonderfully funny as he speaks it, sometimes almost leaving the end of a sentence out to get on with the next. One left quoting the jokes as if they were something new by Noel Coward.

Miss Smith's Beatrice, in a wig redder than her hair ever was, matches him ideally; the verbal conflicts fall on the ear as if for the first time. For all her spinsterish intentions, the Beatrice is never butch; her long-delayed surrender, once the business of killing Claudio has been resolved (with some original redistribution of the lines), is simply like finding the centre in an already enjoyable chocolate.

Against such a pair, Claudio and Hero can do no more than hint at their romance, but the tall, handsome Stephen Russell and the short, blonde Diana Leblanc do well enough. Mr. Russell's five-second pause, of amazement on first seeing Hero is good.

One of the main joys of the production, characteristic of Robin Phillips's work, is to see the stage peopled with 30 or 40 characters in their splendid 17th-century costumes (Robin Fraser Payne). This use of the big company, both as stage dressing and to effect instant scene-changes on the virtually bare stage, involves casting trainee players alongside their more experienced colleagues as attendant lords, servants, sailors, what have you; for Mr. Phillips believes that training must include the experience of being on stage with a good company before an audience.

Brian Bedford is also seen as a beautiful Malvolio in *Twelfth Night*, again directed by Mr. Phillips, which opened the season. This is as lovely to look at as *Much Ado*—both have admirable sets by Daphne Dare, an adept at the use of Guthrie's open stage—but it's a little overweighed on the comic side (no bad fault). Patricia Connolly is a handsome Viola in her brown velvet; Jim McQueen so musical as Orsino that there were times when I felt I could set down his intona-



Errol Slue as Aaron and Pat Galloway as Tamara in 'Titus Andronicus'

tions on a five-line staff; Pat Galloway suggests an Olivia less withdrawn than usual. But Malvolio, Feste and Aguechee run away with the honours.

Mr. Bedford's Malvolio is free from extraneous foibles (though when he intrudes on Toby's midnight revels he does have a tatty beard under his dressing-gown). He is simply a butler who is "sick of self-love." Feste is played by William Butt as a Fool who has already retired from business; he wears country clothes, but molley, and allows himself such liberties as sitting down in Olivia's presence. Richard McMillan, one of Stratford's best young actors, makes Aguechee so funny under his stringy blond hair that Barry MacGregor's Scots Toby never blossoms as he should.

There are two productions of *Henry V* to show off two actors in the lead. I felt on my first visit, and reinforced the feeling on my second, that there was a touch of cynicism in Maurice E. Evans's voice as the Archbishop of Canterbury sang the praises of the young King. They'd have been justified for Richard Monette's Harry; he speaks with a musical delivery but restraint of expression that suggests he might still be posing as he did when as Prince Hal

comes on in a white crew-neck sweater and dark trousers as if he were indeed a commentator on the performance rather than a participant. I thought the lighting too consistently dark, but it enables the battle before Harfleur to look splendid when it consists only of some swirling drapes and a volley of arrows fleeing through the light—very telling, this bit.

Titus Andronicus completed the first month's schedule, in a revived production under Brian Bedford. Anyone can make this seem like a foolish play, but this production is taken seriously; and indeed there's no reason why it should not be taken seriously, as much so at any rate as, say, *Tamara*. It begins with a splendid show of black-and-silver (Dermot Healey, designer) when Jack Wetherall's Saturninus, black-haired this time, makes his claim to the crown against Bassianus (John Wojda); to give way to an explosion of gold as William Butt's Titus brings his dead sons home from the wars in coffins of immense luxury.

The play is rich in dramatic scenes. The sinister evocation around Aaron's pit, which succeeded in disposing of three of Titus's sons in a moment, can easily seem silly, but they work very well here in deepest darkness. (Could have used a bit more light on sunlit Rome, all the same.) There is a horrid excitement as Lavinia leaps through young Lucius's books with her stumps, even though young Lucius is deprived of my favourite line, "My Aunt Lavinia follows me everywhere," something Michael Toke has regret when he writes his autobiography. There is a terrible chill as Saturninus pauses before killing the clown with his pike. Aaron (Errol Slue, a black actor with a rich voice) strangles the Nurse with one hand while he holds Tamara's black baby with the other. I was disappointed by the calm with which Titus cut off his own hand, almost as if he were cutting a log for the stove; but rightly or wrongly, when one has seen Olivier do this as he did it at the other Stratford, it can never be the same. Pat Galloway is a properly sinister Aaron, and Stephen Russell and Roger Barton as his sons are more sinister still, and thoroughly deserved to be eaten in a pie by their mother.

Once more my overall impression is of the apparent affluence of the company, with its huge This is in fact an illusion; apart from 44 players even in *Much Ado*—and beautiful designs, from Titus, the cost of productions is remarkably low. Daphne Dare, the head of design, having learnt how most effectively to use materials in this theatre. But oh, how nostalgic it is to see a stage really full of actors, so full that there is barely room for them. All right, it is quite a small stage. Yet when will Stratford-on-Avon be able to look like this again?

Wigmore Hall

Chilingirian Quartet

by ANDREW CLEMENTS

The progress of the Chilingirian Quartet to date has been sure and measured, and it was characteristic of them to bring to the Wigmore Hall not a complete Beethoven cycle, with some works not yet ripened and fully explored, but a short series—three concertos—to establish their interpretations and to pave the way for greater things. The series ended on Tuesday evening. The previous pair of concertos had fallen into the traditional mould of Beethoven quartet programmes, juxtaposing works from the beginning, middle and end of his life, but to close the Chilingirian were more original: the last of the op. 18 set prefigured the two string quartets, with the misleading opus numbers of 104 and 29.

As a sampler of the entire series op. 18 No. 8 (in B flat) could have been chosen intentionally. It is the most prophetic of the entire set, in looking forward to the Rasumovskys and even, across 30 years, to the last quartets. The Chilingirian found most in the adagio—a wonderful moment when Levon Chilingirian glided the pianissimo demisemiquavers around the second theme with the thinnest of silvery tones—

pace it almost to perfection. For favour movements they tend to favour extremes: the scherzo would have been immaculate had it been taken a shade slower, but evidently they are willing to trade some surface roughness against immediacy and energy.

For the two quintets the Chilingirian players were joined by Simon Rowland-Jones, a member of the Quartet himself until two years ago. The novelty was the apparently "late" quintet, rarely played. Hugh Wood's programme note called it a "recreation of a very familiar early masterpiece," for it is an arrangement of the C minor piano trio op. 1 no. 3. In the main by one Herr Kaufmann but with emendations by Beethoven himself. Idle to pretend that the original does not convey the greater freshness and clear genius. The arrangement tries too hard to be genuinely contrapuntal, to the extent of providing extra non-functional lines; only the coda of the first movement gains from the extra weight of string sonority. The Chilingirian gave it a more devoted performance than the piece could really expect.

Holland Festival, Amsterdam

Three 'new operas'

by DAVID MURRAY

It was possible, if possibly imprudent, to hear three new operas last weekend at the Festival. "New operas" is not quite right, for Karlheinz Stockhausen's new *Michaelis Heimkehr* is but a Thursday fragment of his vast day-of-the-week cycle *Licht*, a continuing project; and Jan van Gilse's *Thil* was composed in 1940, though never staged until now. As for Peter Schat's *Agp*, variously described as a "strip-opera" and a "circus-opera," it is a show recognisably in the genre of Stravinsky's *Histoire du Soldat*, albeit sung and considerably more extended.

Year after year, Schat has enlivened the Festival with brightly coloured music-theatre pieces, often of a broadly political bent. *Agp* is a tauter and more self-contained. The full Dutch title goes into English as "Monkey Subdues the White-Bone Demon"—one of many episodes omitted from Wu Cheng-en's 18th-century novel *Monkey* in the familiar Arthur Waley translation, though many parents will know it as a children's story. The "strip" in question, which directly inspired the opera, is a later illustrated version of the tale. A little band of bumbling pilgrims en route to India is assailed by the (coloratura) White-Bone Demon, who longs to taste their leader's salty flesh; her successive ruses are foiled by the shrewd, demigod monkey, a member of the party. There are rich opportunities for theatrical chinoiserie, in the stylised athletic terms of Bruce Lee, as unworried Good is rescued from demonic Evil by sheer tough-minded energy.

At the Sunday matinee in Schat's circus tent on the Frankendael, there were whole delighted families: *Agp* plainly deserves an English run at the Roundhouse. Schat's score is concise, well-made and professionally apt. If the conservative contours of his music are no longer as beguiling as his flashy effects, it is excellently paced, and honestly consistent—Schat studied with the exacting Matsuyama. The demands of the vocal writing were met by an excellent cast who struck off their bristly sketches characters with no less panache. Ed Spanjaard kept the music in confident order; the simple, effective staging by Anne Marie Prins left room for a more ingeniously mannered realisation another time.

Thil proved to be our old acquaintance Till Eulenspiegel, firmly planted in his native Flanders soil. Jan van Gilse (1881-1944) was a respected academic composer, steeped in the German tradition. As World War II drew on, his German contacts seemed too ambiguously close for comfort, and at the last he was hiding under an assumed name. *Thil* is a heart-felt (though leisurely) national epic—Smetana's *Dobry* and some early Verdi come to mind, but the musical language is essentially that of Pfitzner and Othmar Schoeck. Little is made of Till-the-joker after the folk capers of the first act, though the lusty-voiced John Brocheler sustained the character with pugnacious lower lip and cod-

piece. As in Pfitzner's *Pales- rina*, there is a vast and visionary second act which conjures up the threatening political powers of Philip of Spain and Don Carlos, remote from Verdi's version, staged to sensational effect by Gilbert Deffo and culminating in a rousing call to liberty.

Act 3 brings us back to rough earth, with Till in a losing confrontation with the professional military (a crossy, baleful Admiral Lamey by Guss Hoekman, warmly remembered here as Debussy's King Arkel at Glyndebourne) amidst a grand blizzard. Before an epilogue with Till's hey-presto resurrection, there is a long orchestral interlude, a rich elegy that evokes Porgi and *Walden*—a ninth more than anything else here: the limits of van Gilse's well-learned idiom became clear. But Anton Kerses had prepared the score admirably, and Deffo's visual injections of Brueghel were to the point; Peter van der Bilt's ballad-singer made a strong lynxpin for the visionary act. There was fervent acclaim by the informal Festival audience in the Stadsschouwburg, before they melted away among the merry-makers on the Leidseplein outside.

Stockhausen's first Thursday act from his ongoing apocalypse was discussed on this page by Dominic Gill last year, and in the Concertgebouw it still answered exactly to his description: a wild mélange of grandiosity and bathos, studded with arresting musical inventions and stunningly good repeatedly. On a painfully winsome bits of theatre. That is *Michaelis Jugend*; *Michaelis Heimkehr*, which will belong to the last Thursday act, is mostly a mystical celebration. If it is intermittently baffling, its sweeping breadth and organised power are not to be denied. In this heaven-storming vein Stockhausen has no contemporary rival but Messiaen, and the sense of continual excited discovery is Stockhausen's own. Large-scale works are massively in play, set off by brilliant individual turns (opportunities here for various Stockhausen children to display their gifts). The composer and Peter Eötvös controlled the proceedings; the black soprano Annette Meriweather was an impressively assured earth-mother, and Matthias Hölle a bass Lucifer on a godly scale. The whole of Thursday is due at La Scala, Milan—our children may have to wait for the completed *Licht*.

Bristol Old Vic's London visit

There will be another chance to see the Bristol Old Vic Company's *A Midsummer Night's Dream* when it comes to the Old Vic from June 24-29. Directed by Richard Cottrell, the production has Clive Wood as Bottom, Nicholas Grace as Puck, Meg Davies as Titania, Robert O'Mahoney as Oberon and Louise Jameson as Helena. This is the Bristol Old Vic's first visit to its sister theatre since 1964.

BRITISH-BORNEO PETROLEUM SYNDICATE, LIMITED

Extracts from the Statement of the Chairman, Mr. Campbell Nelson, at the 66th Annual General Meeting held in London on 18th June, 1980

■ The Stock Exchange value of our listed investments at the end of the year was a record £11,835,000 showing an unrealised appreciation of £8,578,000, an improvement of £424,000 over the prior year.

■ Net earnings for the year were £1,024,000. They include special dividends received, mainly from Shell Transport & Trading Co., arising from income accumulations during the period of dividend restraint amounting to £439,000. Net earnings for the year excluding the receipt of these special dividends amount therefore to £585,000, an improvement of £85,000 over the prior year and also a record for the Company.

■ The cost of the interim and final dividends is £428,000, an increase of £90,000 over the prior year and representing a 73% distribution of net earnings compared with 68% in the prior year. Together with the interim dividend we paid a special dividend of £346,000 out of the £439,000 special dividends received.

■ The make-up of our listed investments at 31st March last at their Stock Exchange values was 83% oil companies, 6% industrials, 8% gold mining and mining finance companies and 3% preference shares.

■ Our investment in Western Canadian oil and gas ventures totalled £635,000 at the year end. We have not been successful in our drilling to date but such ventures require perseverance and courage. In view of the further drilling under farm-out arrangements is under consideration, in the Ocho area we intend to acquire more acreage, carry out a seismic survey and drill a well in 1981, and so modestly increase the size of our investment in these ventures.

■ Our listed oil company investments have done well. We continue to take a favourable view for further appreciation in value and larger income from these investments.

■ The oil industry remains strong, constantly improving its methods of operation in all phases of the industry. The private enterprise companies are well equipped operationally and financially to continue their important contribution to the finding and bringing to market oil and gas for which the world has such an insatiable appetite. I see no change in this position over a very long term and I believe the industry will continue to improve its profitability partly because of the absence of competitive sources of energy and the likelihood of an under supply of oil and gas required over the years ahead.

■ We have got off to a good start in the current year. The unrealised appreciation of our Stock Exchange investments has shown a further increase since 31st March of £2,466,000. We expect a higher income from our investments and a continuance of profits or realisations which should give us a good result for the current year.

Copies of the full Statement and the 1980 Report and Accounts are available from the Secretaries of the Company, 2 Broad Street Place, London EC2M 7EP.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Ind. prod. | Mfg. output | Eng. orders | Retail vol. | Retail value | Unem. | Vacs. |
|----------|------------|-------------|-------------|-------------|--------------|-------|-------|
| 1979 | | | | | | | |
| 1st qtr. | 110.4 | 102.6 | 98 | 100.7 | 134.0 | 1,351 | 234 |
| 2nd qtr. | 114.9 | 107.1 | 107 | 106.2 | 144.8 | 1,289 | 258 |
| 3rd qtr. | 112.7 | 103.1 | 99 | 99.5 | 144.6 | 1,269 | 247 |
| 4th qtr. | 112.5 | 103.9 | 105 | 101.7 | 151.9 | 1,286 | 230 |
| Jan. | 114.0 | 105.4 | 112 | 102.5 | 153.2 | 1,282 | 234 |
| Feb. | 112.0 | 103.7 | 104 | 101.7 | 153.1 | 1,294 | 219 |
| 1980 | | | | | | | |
| Jan. | 111.5 | 102.2 | 97 | 103.1 | 155.5 | 1,239 | 207 |
| Feb. | 110.2 | 100.9 | 97 | 102.9 | 158.5 | 1,414 | 181 |
| March | 108.9 | 98.4 | 97 | 102.6 | 159.4 | 1,414 | 181 |
| April | 108.3 | 99.9 | 97 | 102.3 | 161.0 | 1,458 | 169 |

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

| | Consumer goods | Invest. goods | Intmd. goods | Eng. output | Metal mfg. | Textiles etc. | Hous. starts |
|----------|----------------|---------------|--------------|-------------|------------|---------------|--------------|
| 1979 | | | | | | | |
| 1st qtr. | 105.9 | 99.2 | 127.0 | 98.8 | 98.4 | 100.0 | 12.3 |
| 2nd qtr. | 108.6 | 102.9 | 133.1 | 102.7 | 110.0 | 103.0 | 21.0 |
| 3rd qtr. | 105.5 | 96.2 | 122.2 | 95.0 | 103.8 | 100.5 | 18.1 |
| 4th qtr. | 104.9 | 101.3 | 120.7 | 96.2 | 102.6 | 95.8 | 18.1 |
| Jan. | 105.0 | 102.0 | 122.0 | 101.0 | 105.0 | 98.0 | 19.4 |
| Feb. | 105.0 | 103.0 | 123.0 | 101.0 | 100.0 | 93.0 | 15.0 |
| 1980 | | | | | | | |
| Jan. | 104.0 | 102.0 | 127.0 | 101.0 | 95.0 | 94.0 | 13.2 |
| Feb. | 104.0 | 103.0 | 124.0 | 100.0 | 95.0 | 91.0 | 11.4 |
| March | 102.0 | 99.0 | 124.0 | 95.0 | 95.0 | 89.0 | 12.5 |
| April | 102.0 | 101.0 | 122.0 | 97.0 | 95.0 | 89.0 | 14.9 |

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms of trade | Resv. US\$bn |
|----------|---------------|---------------|-----------------|-----------------|-------------|----------------|--------------|
| 1979 | | | | | | | |
| 1st qtr. | 109.0 | 116.9 | -1,488 | -1,215 | -225 | 107.0 | 16.78 |
| 2nd qtr. | 135.3 | 123.9 | -486 | -310 | -177 | 108.3 | 21.59 |
| 3rd qtr. | 129.5 | 138.1 | -493 | -288 | -158 | 106.3 | 33.15 |
| 4th qtr. | 128.2 | 132.9 | -745 | -674 | -157 | 103.7 | 32.54 |
| Jan. | 131.5 | 125.8 | -75 | -51 | -27 | 104.1 | 22.62 |
| Feb. | 131.3 | 131.2 | -252 | -229 | -28 | 102.6 | 22.72 |
| 1980 | | | | | | | |
| 1st qtr. | 131.3 | 126.5 | -723 | -417 | -126 | 100.7 | 24.87 |
| 2nd qtr. | 128.2 | 128.0 | -315 | -213 | -70 | 100.6 | 22.71 |
| 3rd qtr. | 128.5 | 128.9 | -478 | -230 | -40 | 100.6 | 22.93 |
| 4th qtr. | 127.7 | 127.7 | -74 | -74 | -5 | 100.6 | 26.96 |
| Jan. | 127.2 | 127.6 | -284 | -214 | -44 | 101.3 | 28.01 |
| Feb. | 130.2 | 121.4 | -18 | -32 | -10 | 102.8 | 28.28 |

FINANCIAL—Money supply M1 and sterling M3; bank advances (sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net borrow; HP, new credit; all seasonally adjusted. Minimum leading rate (end period).

| | M1 | M3 | Advances | DCE | BS inflow | HP lending | MLR |
|----------|------|------|----------|--------|-----------|------------|-----|
| 1979 | | | | | | | |
| 1st qtr. | 7.6 | 9.3 | 38.6 | +1,525 | 777 | 1,581 | 13 |
| 2nd qtr. | 9.7 | 17.2 | 25.5 | +2,707 | 777 | 1,581 | 13 |
| 3rd qtr. | 15.5 | 12.9 | 12.2 | +2,408 | 933 | 1,879 | 14 |
| 4th qtr. | 3.1 | 12.6 | 16.2 | +250 | 161 | 593 | 17 |
| 1980 | | | | | | | |
| 1st qtr. | -2.3 | 9.6 | 25.4 | +1,889 | 624 | 284.47 | 17 |
| Feb. | -8.1 | 8.7 | 22.6 | +777 | 235 | 668 | 17 |
| March | -6.4 | 10.0 | 20.7 | +271 | 199 | 200 | 17 |
| April | -2.3 | 9.6 | 25.4 | +671 | 266 | 676 | 17 |
| May | -2.5 | 5.3 | 19.1 | +671 | 266 | 676 | 17 |

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

| | Earnings | Basic mals. | Wholesale | RPI | Foodst. | Comdty. | Strg. |
|----------|----------|-------------|-----------|-------|---------|---------|-------|
| 1979 | | | | | | | |
| 1st qtr. | 144.2 | 153.4 | 161.6 | 208.9 | 218.8 | 268.88 | 64.0 |
| 2nd qtr. | 147.3 | 163.3 | 168.0 | 216.5 | 225.2 | 292.55 | 67.4 |
| 3rd qtr. | 154.2 | 169.9 | 176.4 | 231.1 | 231.9 | 301.66 | 71.0 |
| 4th qtr. | 161.7 | 183.9 | 181.8 | 237.6 | 237.2 | 325.13 | 68.8 |
| Dec. | 165.1 | 187.5 | 183.4 | 238.4 | 239.9 | 325.13 | 68.7 |
| 1980 | | | | | | | |
| 1st qtr. | 167.6 | 191.5 | 191.5 | 248.8 | 247.5 | 324.47 | 72.4 |
| Feb. | 168.0 | 192.5 | 193.5 | 246.3 | 244.8 | 308.69 | 71.4 |
| March | 167.2 | 192.6 | 191.5 | 248.5 | 246.7 | 304.27 | 73.2 |
| April | 172.8 | 200.4 | 194.3 | 252.2 | 251.1 | 284.47 | 72.6 |
| May | 174.3 | 202.4 | 197.0 | 260.5 | 254.1 | 275.67 | 72.6 |
| June | 206.6 | 199.3 | 263.2 | 256.7 | 268.23 | 74.3 | |

* Not seasonally adjusted.

Elizabeth Hall

Mark Lubotsky

by PAUL DRIVER

It was a sparse but shrewd audience that turned up on Tuesday night to hear the Russian violinist Mark Lubotsky give his first South Bank solo recital. Though he has been appearing quite frequently in Britain over the past few years he remains principally known, perhaps, for his recording with the composer of Britten's concerto (his only entry in our record catalogues, alas) and that performance certainly encouraged the highest expectations for Tuesday. Partnered with the utmost aplomb by his compatriot Ljuba Edlina—they have been playing together since 1956—Lubotsky offered us music-making of an intellectual sharpness and emotional inten-

sity that comfortably fulfilled them. Lubotsky has a technique that is equal to anything and a tone that is naturally luminous,

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London 254; Telex: 365453, 353387

Telephone: 01-245 8000

Thursday June 19 1980

Management
misinformed

IT IS now nearly five years since the Sandilands Report launched the debate on inflation accounting. It unfortunately got off on the wrong foot, and started a long technical and academic wrangle. All the same, the report did win wide attention for the subject, and after a series of false starts the publication of the Hyde guidelines in 1977 laid down the basic principles which still apply.

Since the aim of inflation accounting is to separate the real from the illusory element in profits at a time of inflation, and show how far a company is maintaining its real capital, an innocent outsider might suppose that adjusted accounts would be of central interest to managers, wage bargainers and all those whose livelihood depends on the long-term survival of the enterprise. Shareholders, perhaps, might be a little less fastidious about whether their dividends represent real earnings or a covert distribution of capital, provided they are big enough.

In fact the emphasis has all been the other way. The accounting profession has done the donkey-work. The pressure for realistic figures has come from those representing shareholders—notably the more alert investment analysts and the Stock Exchange itself.

Mandatory

Management has never shown much enthusiasm for the topic, but for large companies, at any rate, a current cost statement will in future be mandatory. It is an unpleasant surprise, then, to discover that this statement still seems to be regarded by most of those concerned as an academic footnote to the mis-leading accounts which are still the main exhibit in nearly every company report. Today, a Bank of England survey of 40 companies mainly large (28 with a turnover above £100m), and selected for their interest in these topics, shows that less than a quarter use current cost accounts as their primary source of management information. Of the rest, half use a current cost footnote to historic cost figures, or will do so when they get round to it, and half have no intention of using such figures internally at all.

There are, of course, difficulties, but no respondent thought it would be unduly costly to produce the information. They argued, rather, that it might muddy the water in a number of ways. Within groups, the gearing adjustment might be arbitrary, reflecting the exigencies of group financing policy rather than anything economically meaningful. More commonly, it was argued that current cost figures would not be understood by the managers themselves, by trade unions (who might suspect sharp practice), or indeed by shareholders, who might lose confidence in the management.

Unrealistic

Perhaps the most honest managers were those who admitted to a feeling of helplessness. Current cost accounts, they were aware, would show thoroughly inadequate profit margins—for real rates of return, as measured in another Bank of England study, have fallen by nearly 60 per cent since 1970. But what could a management constrained by foreign competition do about it? The implied suggestion that current cost accounts will be useful only when market conditions permit a large cost-plus raid on the customers is in its way even more disturbing than the general will to be misinformed.

It is small wonder that managements concede unrealistic pay settlements and soft pedal efficiency drives if they continue to believe that their companies can survive indefinitely on stock "profits" which simply involve over-larger borrowings. The few companies with a real sense of priorities have educated their managements and are educating their workers to understand realistic accounts, rather than muddling on with rule of thumb ratios. Stockbrokers and financial commentators are already providing some generally painful education, and the Bank of England has contributed most usefully with this survey. It is to be hoped that it will be extended and repeated—with better results.

Jordan is not
the problem

THE U.S. Administration has believed, correctly, at least as far back as the Camp David agreements of 1978, that Jordan should have an important role to play in any durable Middle East settlement, and President Carter said last week that he would use all his powers of persuasion to get Amman to join the peace process. No one expected that King Hussein would, during this week's visit to Washington, make any sudden shift in his arm-length attitude to Camp David, but it must also be clear that a change in Jordan's position would not be itself enough to make any major difference to the prospects for a settlement: for that, there must also be real changes in other parts of the Middle East checkerboard.

Annexation

The West Bank was part of Jordan until its annexation by Israel after the 1967 six-day war. Even if it were to become an independent state, it would have only two neighbours, Jordan and Israel. About half of Jordan's population is Palestinian rather than Jordanian. Geography and history both dictate that Jordan must be directly involved in any effective negotiation on the future of the West Bank, and the Camp David agreements expressed the hope Jordan would participate in negotiations on the Palestinian problem.

Unfortunately, the Camp David agreements took no cognisance of the fact that the Arab League had already, at the Rabat summit of 1974, seriously undermined King Hussein's legitimacy as a spokesman for the West Bank, by declaring that in future the Palestine Liberation Organisation (PLO) would be the sole representative of the Palestinian people. It was thus impossible for King Hussein to take up the Camp David offer without breaking with the rest of the Arab League, and he has never shown the slightest desire to go that far.

It may be argued that the Arab League was unwise to have denied so categorically Jordan's irrefutable claims to be closely involved in any future dispositions for the West Bank. The fact is that the League did deny these claims, and unless it should revise its position, King Hussein's scope for participating in the peace process will be severely circumscribed at best.

A much more serious obstacle to any meaningful Jordanian

participation in the peace process is the attitude of the Israeli Government led by Mr Menachem Begin. While it was keen to conclude a bilateral deal with Egypt, it has never at any moment shown any sign of being prepared to make those concessions on the West Bank issue which could give the so-called autonomy talks even a chance of success. On the contrary, with every passing month it has seemed more determined to tighten its hold on the West Bank.

Israel's opposition. Labour Party believes that a solution to the West Bank could lie in some kind of arrangement between Israel and Jordan. For a transitional period, such an arrangement might at one time have been just about acceptable to the PLO, but today it seems to be from its faith in confrontation with Israel and in a more militant joint strategy with Syria. In any case Israeli elections are not due until November 1981, so Mr Begin may still be in charge for another 16 months.

What is needed, if there is to be any hope of progress, is a radical change of attitude on the part of the Israeli Government. It may be just conceivable that the recent EEC declaration on the Middle East, which called for the self-determination of the Palestinian people, will in time cause the Israeli people to rethink their priorities, though the immediate hysterical denunciation which came from Mr Begin is not an encouraging augury for any change of heart on the part of the Likud Government.

Concession

The nub of the matter, on any evidence we have so far, is that Mr Begin will not voluntarily offer any meaningful concession on the West Bank. He will only do so if he is forced to do so, and such force can only be applied by the U.S., which supplies Israel with enormous amounts of money and arms. As a *quid pro quo*, he would certainly be entitled to expect a much more accommodating attitude from the PLO.

It is understandable that President Carter should look for additional help in getting some life back into the autonomy talks. But he is mistaken if he imagines that King Hussein can expiate him from a problem which has its origin in America's relationship to Israel and in the Camp David agreements. Jordan is not the problem.

JAPAN'S domestic politics—and its view of its role in the outside world—are in a greater state of flux today than at any time since the mid-1950s. To say the country does not know precisely where it is going is an understatement. There is uncertainty not only about goals but also about the machinery and institutions needed to achieve them and, above all, about who can or should be in charge. The one certainty that remains is that Japan is one of the world's major democracies and, as such, bound by indissoluble ties to the U.S. and Western Europe.

There are at least three reasons why the Japanese feel that they may have reached a parting of the ways. The first and most obvious is that the Prime Minister (Mr. Masayoshi Ohira) has died suddenly in office and has no obvious successor. Mr. Ohira was the last of four Liberal Democratic Party bosses who held the premiership in turn from 1952 onwards after the seven-year premiership of Mr. Eisaku Sato. So long as the four were queuing up to succeed each other there was little doubt who would be the next leader of the

Japan's place under the
U.S. defence umbrella
has become less cosy

ruling party and not much need to consider the question of how and when a new generation of leaders would move in to take their places.

Mr. Ohira was 70 at the time of his death and had shown every sign, until a month or so before, of being determined to hang on as long as any of the men who had preceded him. His sudden removal from the scene opens up a three-cornered contest between a notoriously hawkish but otherwise unpredictable leader of one of the party's major factions (Mr. Yasuhiro Nakasone); a former businessman who belongs to a fringe group in the Liberal Democratic Party that was at daggers drawn with Mr. Ohira (Mr. Toshio Komoto); and a fairly young and relatively untainted member of Mr. Ohira's own former faction—the economic expert, Mr. Kiichi Miyazawa.

These three men are so different from one another both in character and in their qualifications for the leadership that only the rashest gambler would at this stage put any money on any one of them. Bets on the succession may start to be placed within days of next Sunday's "double" election to the Upper and Lower Houses of the Diet. But these elections are themselves another potential turning point in Japanese politics—given "the strong possibility that the LDP could lose its overall majority in the Lower House and thus end a winning streak which has given

the Party a monopoly of political power since it was formed in 1955.

The reasons why the LDP's chances on Sunday are viewed with extreme caution, at least as far as the Lower House is concerned, are not hard to understand. The party barely scraped past the post at Japan's last general election in October 1979—or, to be exact, did not scrape past but had to "assemble" a majority in the Lower House by recruiting to its ranks conservative independents who had been elected without joining the LDP. In this year's hastily called election there will be fewer conservative independents because the people concerned had no time to prepare their candidacies after the Diet was dissolved in May following the surprise passage of a no-confidence motion against the LDP.

A second ground for uncertainty is that the LDP entered the election in a state of extreme disunity following a series of battles between the intra-party groups supporting and opposing Mr. Ohira. There have been signs of a patching up of differences between rival factions during the three-week campaign that ends this week. But the repairs have been distinctly superficial and the impression remains that a squabbling bunch of factional groups has buried its differences temporarily in the interests of survival through one more general election.

Squabbling between factions that are in essence no more than the personal following of individual party leaders dedicated to putting their man into the premiership has been endemic since the formation of the LDP. In the recent past, however, what used to be a workable form of power sharing within the party has begun to seem destructive and unnecessary.

The third and final reason for the crossroads mentality which currently prevails in Japan is that the nation's position in the world is, or should be, provoking some lively rethinking. Japan's place under the American defence umbrella, which looked so secure until the early 1970s, has become distinctly less cosy in the recent past as Soviet naval strength in the Western Pacific has escalated and the U.S. has begun to air a "swing strategy" which

JAPAN'S LOWER
HOUSE

Party strengths after the last general election (October 1979)

| | |
|----------------------------|-----|
| Liberal Democratic Party | 248 |
| Japan Socialist Party | 107 |
| Komeito | 57 |
| Democratic Socialist Party | 35 |
| Japan Communist Party | 39 |
| New Liberal Club | 4 |
| Shaminren | 2 |
| Independent | 19 |
| Total | 511 |

Notes: 10 independents joined the Liberal Democratic Party after the election, bringing its strength to 258.

MEN AND MATTERS

Break-out
at Bowring

"We are the first escape committee," says Fred Shearer, who has this week tunnelled his way out of the C. T. Bowring insurance group, along with four other senior executives. Top man on the committee is Robert Ballantyne, director in charge of Bowring's North American non-marine reinsurance business. In his train have followed divisional director Shearer, director Graham McKean, and assistant directors Ken Woodhams and Christopher Mainwaring.

In concert with David Sullivan from C.E. Heath, and another who has yet to break out of another major City reinsurance house, the quintet will reassemble in the City next September under the banner of Ballantyne, McKean and Sullivan to provide North American links for their associates—Allwell, Hough Johnson.

The Bowring contingent is disillusioned with the recent happenings at the old firm, which has been taken over by the world's largest insurance

group, Marsh and McLennan of the U.S.

"I believe I might have stayed there and worked out my career with them. But the board worked the staff up to fever pitch then performed a volte face and sold the firm from under—or rather over-us."

While they are still working out their notices, the escapees are unable to do much work. "And there's not a lot to be done when you don't have any business," Shearer says. "So between now and September I think shall be taking all the holiday we can expect for the next five years or so."

Set question

Ever eager to help the BBC restore its ailing finances, the Post Office has taken to sending licence reminders to Auntie herself. Buzby's eye has fallen on the World Service's Hausa language section, which beams radio programmes to Africa from Bush House in Aldwych. Justified by the demand, which was addressed to "The Present Occupier," Graham Mytton, Hausa organiser, wrote back saying his section did not run a television, nor had it ever. The Post Office responded with another warning.

But what is really puzzling cost-conscious broadcasting executives is why the PO should send reminders at all when the BBC pays a corporate licence fee of £30,000 a year for the privilege of using TV receivers in BBC studios and offices. This sum is collected by the Post Office from the BBC and ultimately returned to the BBC—minus the PO's collection fee.

Saatchi double?

Can Saatchi and Saatchi give Ronald Reagan a leg-up into the saddle now occupied by Jimmy Carter? I know the advertising whizz-kids have waxed shirty over their con-



Mr. Yasuhiro Nakasone, a hawkish leader of the Liberal Democratic Party, campaigns in Tokyo: the electioneering style is distinctly American.

could shift its forces from the Far East to the Middle East in an emergency.

Simultaneous with the appearance of "holes" in the defence umbrella has been the emergence of a new source of strain in the economic and political relationship between Japan and the U.S. Japan has begun to find in the past two years, and more especially in the past six months that its interests *ris-aris* third countries are not necessarily always congruent with those of the U.S. This is especially the case when the country concerned happens, like Iran, to be a major economic partner of Japan but a bitter adversary of Washington.

The policy dilemmas created by the Iranian (and to a lesser extent the Afghan) crises have caused headaches at the Foreign Ministry. They have also posed the question whether or not Japan should be starting to look for a new concept of its world role to replace the post-war, and LDP-sponsored, notion of faithful but rather passive adherence to the American alliance.

In several recent instances Japan found it advisable to compare notes with the EEC countries in the hope of arriving at a joint position, even if that meant opposing Washington.

The debates about Japan's international role tie in with the LDP's election predicament, but not in the sense that the opposition parties have a clear alternative to offer to the old conservative formulas. In the mid-1950s, when the Japanese political scene was neatly divi-

ded between the right-wing and pro-American Liberal Democrats and the "progressive" and neutralist Japan Socialist Party, such an alternative did exist. Today, however, the LDP has to its immediate "left" (if the term means anything in the current confusion of Japanese politics) a bunch of small parties whose positions on defence and foreign policy are not greatly different from its own. Beyond these stands the large but ailing Japan Socialist Party which seems to have lost much of its old faith in neutralism as the solution to Japan's international predicament.

The four main opposition parties (Democratic Socialists, Komeito, or Clean Government Party, Japan Socialists and Japan Communist Party) might possibly command the numerical strength after next Sunday's election to throw the LDP out of power and make a fresh start both in the running of Japan's domestic affairs and in the conduct of defence and foreign policy. Their thinking on all the major issues involved, however, makes this impossible.

The small Democratic Socialist Party, itself the product of a 20-year-old split with the Japan Socialists, is the most rigidly anti-communist group in Japanese politics and believes more strongly in the need for "self-sufficient" defence forces than the LDP itself. At the opposite extreme the Communists persist with the view that Japan need neither defend itself nor seek protection from

the U.S. but should instead depend on international good will by declaring unaligned neutrality.

Because the main ideological divide seems to come somewhere within "the opposition" forces in the Diet rather than between the Liberal Democrats and the opposition it is reasonable to suppose that a defeat of the Liberal Democrats on Sunday would lead to a coalition, or perhaps to some less formal working relationship; between the LDP and a few of the opposition groups rather than to a clean sweep from the LDP to a "progressive" coalition. If the LDP falls to gain a majority by only a handful of seats (say half a dozen) it might need to do no more than offer a single Cabinet post to the New Liberal Club, a breakaway faction which left the party in 1976 in protest against Liberal Democratic corruption, but which still sees eye to eye with the ruling party on most issues.

A more serious defeat would mean that the Democratic Socialists would have to be brought into the ruling group. Far from diluting the emphasis on defence which has been a feature of recent LDP thinking (and particularly of the Ohira premiership, as well as of Mr. Nakasone) the incorporation of the DSP might actually strengthen this trend. In its election platform, the DSP places heavy stress on the need for beefed-up Japanese defence forces (now costing less than 1 per cent of GNP). The

Democratic Socialists also believe that Japan will eventually form part of a NATO-like collective defence system including other Pacific nations.

The inclusion of one or more of the smaller opposition parties in a ruling coalition with the Liberal Democrats would, in theory, force changes in the machinery through which Japan runs its internal affairs. Based on a "scissors, paper and stone" or circular relationship between the bureaucracy, the Diet and the business world the essence of this system is one of shared control through close personal contact. The way the system works in detail is that the Diet controls the bureaucracy, (in the sense that bureaucrats must lobby individual dietmen to obtain passage of legislation their industries are putting forward) while the business world is controlled by the bureaucrats (through the mechanism known as "administrative guidance") and in turn controls the Liberal Democratic Party (through funding).

If new faces, or even whole new parties, had to be fitted into the complex workings of this system, frictions might be expected to occur: for example, bureaucrats might have difficulty in lobbying unknown and unfriendly dietmen, or the (former) opposition parties might prove reluctant to take orders from the business community. In practice, however, it looks as if the system could probably be adjusted.

Loss of control by the LDP over some of the major diet committees (as opposed to the House itself) has meant that opposition politicians have been drawn into the process of government to some extent during the past two years. The result has been to make the traditional processes a little more unwieldy than

If the factions continue
their struggles, Japan
could find itself adrift

before—negotiations on the Budget, for example, have become more complex—but no make them unworkable.

The relationships that already exist between the Liberal Democrats and at least some of the opposition groups in the Diet could mean that the transition from one-party rule to government by coalition (if that becomes necessary after next Sunday's election) turns out to be a fairly painless process. Far less painful will be the choice of a new leader for the LDP itself. The new man will need not only to reunify a badly divided party but also to lay down clear lines of policy on issues that have been neglected because of an excessive preoccupation with intra-party faction fighting. If he fails and if the factions continue their struggles, Japan could find itself adrift in an increasingly dangerous world.

Gresham
Trust
Limited

Permanent and long term capital
for the successful private company.

Are you considering a programme of
de-merging any of your activities?
If so your management team may be
the ideal purchaser.
Gresham Trust specialises in financing
such operations without seeking to
control or manage the enterprise.



For further information
please telephone 01-603 6474 or write
to Barrington House, Gresham Street,
LONDON EC2V 7HE

مكتبة النور

Why real wages may be too high

THE Bank of England Bulletin is not normally my favourite economic reading. Partly, because I do not agree with what many of the writers in it are trying to say between the lines—for example there is yet another attempt to attribute recent inflation to "independent" pay rises and to downgrade the part played by domestic and international monetary forces.

Nevertheless my purpose is not to attack the June Bulletin, but to praise it. For quite apart from the useful statistical background which so often redeems the text, the section marked "Assessment" dispenses with much of the usual sermon and contains some useful ideas.

It suggests, for instance, that earnings have risen by well over 5 per cent more than prices in the last two years, if the 1979 switch from income tax to VAT is taken into account correctly. This has been far too much in a period when output has hardly risen at all. The rise in labour costs has been even greater and profit margins have been squeezed tremendously.

Reversed

The Bank's suggestion is that it may be necessary for that gain to be reversed in the short term—in other words to have a real wage cut of 5 per cent. If this seems "extreme" remember that consumer spending rose by 5½ per cent in 1978 and another 4 per cent in 1979—rates exceeding the best even of the Macmillan "never had it so good" years when external circumstances and internal productivity were far more favourable.

An OECD survey shows that wage earners in the great majority of countries have made little attempt to recover the losses in real wages implied by

higher oil and commodity prices.

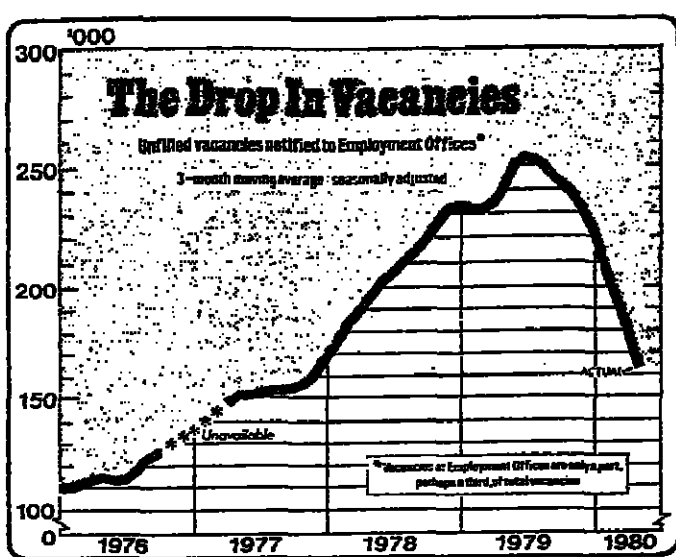
The one thing that seems wrong with the Bank's suggestion is that it is made in the interests of getting inflation down. The main argument for a real wage cut is that it will help employment. Indeed the virtue of the suggestion is that it is not a money wage norm at all and refers only to the relation between wages and prices and not to what either of them will do in isolation.

In most Continental countries where governments and/or employers do talk to unions about wages, great care is taken not even to mention a money wage norm. German and French Ministers tend to say to union leaders that wages should not rise by more than prices and exclude energy prices from the calculation. To some extent the message gets across—because it is a difficult one with which to argue.

Continental Governments would not have attempted to make a drastic shift under Budget secrecy from direct to indirect taxes without discussing the factual and statistical basis thoroughly with union and employer representatives. In the U.K. the Government has made a distinction between political Thatcherites who supported both the 1978 and the 1980 Budgets and the economic Thatcherites who supported only the 1980 Budget with its accompanying financial strategy.

The Bank's suggestion links up with the so far discussion about how instead of crowding prematurely about the failure of the TUC's "Day of Action"—the Government should use the opportunity to reopen a dialogue with the TUC.

The dialogue could well begin with a discussion of the Bank of England view. This idea will be immediately miscon-



strued, as a previous and similar idea of mine was, as a resuscitation of incomes policy. It is nothing of the kind. It would be a discussion of the technical validity of the calculation that real wages are 5 per cent too high. The kind of question which could be asked is, for instance, whether Government North Sea oil revenues could allow the UK to escape some of the real wage cuts that other countries are having to take.

Government, Bank, TUC and CBI economists would try to thrash these matters out; and their political masters would also try to put it into a language that made sense to them. The more that money wages and inflation forecasts would be left out the more successful such talks might be.

As for money wages, the Bank suggests that they should rise in line with the monetary target. This has at least the advantage of not deceiving anyone into supposing that pay

policy can be a substitute for monetary targets or an excuse for the authorities to relax the latter. But it is open to the objection to all pay norms in the UK context, that (a) they become a minimum on which the weakest union leaders set their sights and (b) that the Government starts trying to enforce them or bargaining with union leaders on the assumption that they can deliver this figure.

THE BULLETIN also contains the strongest hint yet that interest rates will fall as companies liquidate unwanted stocks and banks reconsider the prudence of present lending. That much is pretty well common ground, so long as MLR does not come down until there is no shadow of doubt that monetary growth is within the spirit as well as the letter of the 7 to 11 per cent guideline.

Much more tantalising is the hint of, not only one or two points off MLR, but "larger pos-

sibilities of lower interest rates as inflation falls off." The gilt edged market has of course already moved.

Long term rates reflect principally expectations about inflation and unlike short term rates are market-determined—rather than policy-determined. They are becoming an even better guide to inflation expectations.

For, since the abolition of exchange control investors are free to move overseas. Several things are clear. The market never shared the hysteria of those who took the 21 to 22 per cent year on year increase in the Retail Prices Index at its face value, still less those who expected a further acceleration. Inflationary expectations have also fallen markedly—the recent rise in gilts is not just a mechanical reflection of the UK developments to which the UK is much less tied than in the past. On the other hand the mean market expectation still is that inflation will remain in low double figures and the market has yet to be convinced of the full Government financial strategy.

Both the opponents of that strategy and those of its supporters whom I called the "economic Thatcherites" have pointed to the absurdity and exorbitance of official borrowing well into the 21st century at 13½ per cent nominal yield by a Government which really believes that the strategy will succeed. Those who have "moral" objections to indexed bonds should reflect on the morality of issuing unindexed bonds which will probably either saddle the taxpayer with usurious real debt servicing obligations or cheat the borrower with a higher than expected rate of inflation.

REAL short-term rates of interest are in fact likely to become negative in most

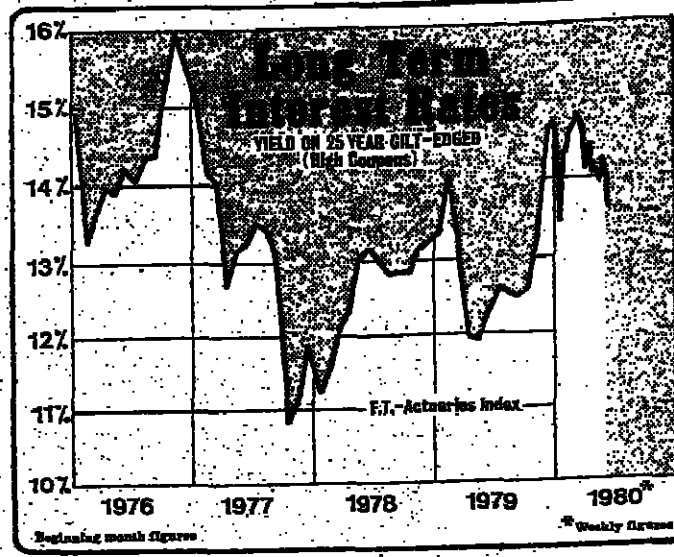
countries in the course of the recession, as they have already done in the U.S. This is a very useful automatic anti-inflation corrective. It occurs if monetary guidelines are maintained when real demand falls off, and unlike conventional discretionary stimulation it does not create an inflationary threat for the future.

The possibility of temporary negative real interest rates supplies part of the answer to the fears of those Bank of England writers who worry that the combination of OPEC surpluses and governmental reluctance to run large deficits will aggravate the world recession. A wide swing in interest rates from positive to negative discourages saving and encourages investment. This was something that did not seem possible when Keynes developed his theories which were during a period of stable or falling prices.

IT IS a great pity that queries about the meaning of the unemployment figures come to the fore during recessions, when increases are most likely to be genuine.

The May Employment Gazette has an extremely useful survey of the interpretation of the unemployment and vacancy figures. It discusses such paradoxes as labour shortages reported when unemployment is statistically high and the fact that most of the 1978-79 increase in home demand had to be met from imports.

But although a helpful guide to the figures, the Department of Employment article backs away from discussing the relation between employment and wages—both on the supply side when wages appear too low to job-seekers, and on the demand side when they are too high for employers.



Yet if there is one thing that stands out a mile it is that employers and union leaders have convolved in raising money wages and maintaining real wages in the face of market pressures at the expense of the jobless. Popular comment, normally quick enough to pick on bad economic news, has missed completely the extremely severe deterioration in the labour market. This is largely because seasonal trade has recently been favourable and the mass of school leavers arrives with a bang in the high summer months. Anyone following the more informative figures of vacancies would have seen that by this May they had already fallen by 37 per cent compared with their peak last summer.

A favourable by-product is that, as in the 1966 and 1971-72 recessions, there is a shakeout of hoarded labour, and over-manning is being reduced. Unfortunately, however, the productivity gain is not yet

large enough to pay for the wage increases, so the Bank of England's calculation of 5 per cent excess real wages is still realistic.

There is every sign that the Government will resist pressure to spend its way out of trouble this year. The real danger will be in the winter of 1981-82, after which it will look as if inflation is well under control but unemployment is not.

Talk of premature "reflation" or premature policy reversal is dangerous. For if the monetary and budgetary guidelines are correct then the authorities are already providing the best possible framework for employment stability; and the time to change course is "never." If they lose patience with long and unpredictable lags, they will merely switch on the inflation again with no ultimate gain to employment.

Samuel Brittan

Letters to the Editor

Musical cuts at the BBC

From the Managing Director, BBC Radio
Sir,—Last there is the slightest danger of your readers confusing Mr. Morton's rhetorical questions (June 17) with fact. I think they might be interested to read what this dispute is about.

Ten years ago the BBC needed to disband some of its orchestras. The Government intervened, and John Stonehouse assured the House of Commons that the new licence fee would be sufficient to cover the cost. It wasn't—and subsequent licence fees have been on a rising scale of inadequacy, the latest one involving the BBC in cuts of £100m over the next two years, of which £40m has to come out of our existing operations.

Now we have to save money because the new licence fee is not enough to run all our activities, and the Government will not give us any more at present. A lot of the savings are being made in the BBC's central administration, which is taking cuts up to 15 per cent. But some have to come out of programmes, and they are across the board. Radio drama, talks and so on have been cut down by 10 per cent or more, and we cannot make an exception of music. We propose to save £500,000—but this is less than 8 per cent of the £6.3m we are now spending on musicians. It is an important sum for radio, but no more than the economics we have had to make elsewhere.

The special problem arises because such a large proportion of our music spending is tied up in the 551 players who have permanent jobs with the 11 house orchestras—in fact, this is about £4.5m, nearly 70 per cent of the total. The Musicians' Union has not yet accepted that it should take its share of the cuts, and has insisted that none of these staff jobs should be affected. Its only response in negotiations was to reject the BBC's proposals outright, and to make no valid counter-proposal.

If all the house orchestras were to be preserved, BBC radio's saving on music would have to be taken out of the 30 per cent spent on freelance musicians, and we would also have to cut the hours of music broadcasting. That is what the MU suggested—but we believe we should think of the listener first, and we want to go on offering a full service. We can do this by spending more of the money on players outside the house orchestras—over 30 per cent more, in the plans we put forward to the union.

We have not broken any agreement with the MU, and essentially we intend to broadcast the same quantity of "live" music, so that the balance between this and gramophone records will hardly alter. It is just not true to say that more of our output will consist of records and foreign tapes. But we do need to find a way of producing the "live" music at less cost and at the same time keep up programme quality and variety.

We are sorry that some full-time jobs for players will go. This is not the same as putting the 172 musicians out of work: 158 have actually had redundancy notices, and more than 20 are eligible for premature retirement. We have also earmarked £100,000 a year each for

spending in Manchester and Birmingham which will provide work for freelance musicians, many of them likely to be former members of disbanded house orchestras. We are also actively encouraging efforts in Northern Ireland and Scotland to sponsor new orchestras, which if successful, will undoubtedly provide work for many former BBC house musicians.

We are aiming for quality and flexibility. Our objective has been to save money, maintain air time and maintain a full service for the listener. We shall sustain six house orchestras employing 378 players, which will represent about a quarter of all the salaried orchestral jobs in the United Kingdom. And at the same time we shall be spending more than before on engaging other musicians, since live musical performance will always be a large and vital part of broadcasting. In other words, we will continue to fulfil our duty as a major patron of music within the limits of what we can afford. Aubrey Singer, Broadcasting House, W1.

Racing on TV

From the Public Relations Director, Thames TV

Sir,—May I correct the misleading impression left by David Churchill's article (June 18) about the contract between ourselves and United Racecourses to provide TV coverage of horse racing at Epsom, Sandown and Kempton Park. When your correspondent says that "Thames' motives for not registering the agreement were unclear..." it is simply not true. It was rather that Thames has always contended that the agreement is not registrable and therefore not covered by the legislation. The whole business of what is and what is not a registrable agreement is a difficult point of law, and therefore it is premature to speak of the agreement being placed on the register. Donald Cullimore, 206-316, Euston Road, NW1.

U.S. trade with Saudi Arabia

From Professor S. Eilon

Sir,—Mr. Reddaway suggests (June 18) that I missed "a crucial point" made by Mr. Faulds, namely that the enormous increase in total dollar value of American trade with the Middle East was "very largely accounted for in increased arms sales." He quotes the figure of \$706m and \$8.4bn of arms sales in 1973 and 1978 respectively to Saudi Arabia alone, which in his view should be deducted from the total American exports of \$1.85bn and \$10.48bn respectively to the Near East as a whole for a truer picture to be obtained.

Mr. Reddaway's figures are quoted from articles in the International Herald Tribune. I prefer to rely on official statistics. I do not know the basis of the figures he quotes and whether, for example, they purport to represent sales figures for a single year or contracts secured for a number of years. The U.S. statistical abstracts (from which I quoted my figures) state that total American exports to Saudi Arabia in 1973 and 1978 were \$442m and \$4.37bn and these

Placing money with councils

From Mr. A. Twist

Sir,—I was very interested to read (June 17) Mr. Victor Robson's suggestion that brokers should penalise high spending local authorities by refusing to place money with them. When I first became professionally concerned with the affairs of local authorities in the late 1950s, I was taught to leave my politics at home and I believe this precept to be every bit as true today. I believe also that lenders to local authorities should pay more heed to the existence of the safety-net provided by the Public Works Loan Board than to the political outpourings of councilors, particularly because the Local Government Act of 1972 and the 1975 Scottish Act provide that "a person lending money to a local authority... shall not be prejudiced by any illegality or irregularity, or by the misapplication or non-application of any of that money." Mr. Robson is reported as saying "we can place our money" with those local authorities that behave "more responsibly" and if he is referring to his own firm's money he has a perfect right to place it according to any criteria he cares to set up, although a criterion of "responsibility" may in practice be very difficult to derive. I am sure that if some brokers cease to advise their clients to lend to a particular local authority then other lenders will step in to fill the vacuum; and to the extent that this is not the case, the higher rates of interest the local authority has to pay to the PWLB (whose non-quota B scheme will, at a price, provide all an authority's borrowing needs) will be no more than a political slapstick by comparison with the sledgehammer that can be wielded by the Department of the Environment.

A. F. Twist, 5th Floor, Lee House, London Wall, EC2.

Political leaders

From Dr. G. Hallett

Sir,—Mr. Malcolm Rutherford (June 13) raises the hope that under Mr. Healey's leadership the Labour Party might undergo a change similar to that which the German Social Democratic Party experienced with the Godesberg Manifesto of 1959. I doubt if the parallel is valid. The ambivalent Herr Wehner may have been influenced by electoral tactics but there was a genuine change of opinion among many Social Democrats. The remarkable recovery of

West Germany under a "socially responsible market economy" and the brutality of East German socialism impressed the appeal of the revisionist thinking of Professor Karl Schiller, who put forward a coherent economic and social philosophy which combined some of the ideas of Ludwig Erhard with a "Keynesianism" which—in contrast to the British version—was similar to that of Lord Keynes. The change of opinion of most of the party from the clause four "neutralist" philosophy of the late 1940s was genuine. It was characteristic that the main leader who emerged—Herr Brandt—was more an idealist of the Gaitskill type than a Realpolitiker.

The differences from the situation in the Labour Party are considerable. The Social Democrats did not face a choice of domination by the trade unions or the Left, and Mr. Healey's political style has nothing in common with that of Schiller or Brandt. Mr. Healey—as a counter to a rather crudely presented Conservative anti-inflation policy—has recently led a campaign suggesting that anyone who (like economists from Hume to Keynes) believes that inflation has something to do with monetary aggregates is an opponent of any kind of mixed economy. This campaign has been very successful, and no doubt politicians cannot afford too much academic fastidiousness.

This is, however, one more episode in a level of political economic debate which is notably lower in calibre than in West Germany—and which may have some connection with the level of economic performance of the two countries. Similarly Mr. Healey and the Labour "moderates" believe in "prices and incomes" policy. The Social Democrats have always stressed its pernicious consequences.

Those who share Mr. Rutherford's hopes for the Labour Party and British politics are probably right to believe that Mr. Healey would be the best successor to Mr. Callaghan. But given the Labour Party's institution and history there seems little likelihood that, under Mr. Healey or anyone else, it could in the foreseeable future become anything like the German Social Democratic Party.

Dr. Graham Hallett, University College, P.O. Box 26, Cardiff.

Help for small companies

From the Chairman, The Development Commission

Sir,—Your excellent review on finance for small companies (June 3) fairly portrays the UK situation but with one serious omission. It fails to mention the longest established government body in this field—the Council for Small Industries in Rural Areas—which is one of the arms of the Development Commission. England's rural development agency. Ably assisted by experienced and enthusiastic businessmen, who deeply believe in the importance of small businesses, they are currently helping some 12,000 firms in 38 counties in England. This is proving to be one of the most effective means of bringing entrepreneurial demand and private finance together, and I would welcome this being more widely known. Nigel Vinson, The Development Commission, 11, Conley Street, SW1.

To-day's Events

UK: Dr. Henry Kissinger, former U.S. Secretary of State, speaks on international politics and oil at Energy Emergency: Oil and Money 1980 conference, Royal Lancaster Hotel, London.

Mr. David Howell, Energy Secretary, addresses British Nuclear Forum lunch, Ian in the Park, London.

Statement by Sir David McNeice, Commissioner of Metropolitan Police, on his annual report for 1979.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the Royal Navy. Motion on the Pool Competitions Act 1971 (Continuance) Order.

House of Lords: London Transport Bill, second reading. Transport Bill, third reading. Sea Fish Industry Bill, committee stage. Motion to Approve Education Act 1944 (Termination of Grants) Order 1980, and the Army, Air Force and Naval Discipline Acts (Continuance) Order 1980.

Select Committees, Environment, Subject: Council House sales. Witnesses: Greater London Council, Birmingham City Council (Room 15, 10.30 am). Home Affairs, Race Relations and Immigration Sub-committee. Subject: Racial Disadvantage.

Witnesses: Department of Employment (Room 15, 4.30 pm).

OFFICIAL STATISTICS
UK banks' assets and liabilities and the money stock (mid-May). London dollar and sterling certificates of deposit (mid-May). Cyclical indicators for the UK economy (May). Construction—new orders (April).

COMPANY MEETINGS
Beralt Tin and Wolfram, Winchester House, E.C. 13. Boustead, Westbury Hotel, W. 12. Bulmer and Lamb, Victoria Hotel, Bradford, 3.30. Garner, Scottlair, The Grange, Grange Road, S.E. 230. General Scottish

Trust, 4, Melville Crescent, Edinburgh. 11. Grampian TV, Queens Cross, Aberdeen, 12.30. House of Fraser, 30, George Square, Glasgow, 12. Heat and Sons, 196 Tottenham Court Road, W.C. 3. 1 and 7. Hyman, Queens Hotel, Leeds, 12. Industrial and General Trust, Winchester House, E.C. 12.45. L.K. Industries, 123, Kennington Road, S.E. 12. John Laing, Marlowes, Hemel Hempstead, 2.15. 1928 Investment Trust, 1, Brewers Green, S.W. 3. Scottish Mortgage Trust, 2, Glendinning Street, Edinburgh, 11.30. Alexander, Stephen, Lint-house, Govan, Glasgow, 12. Ben Williams, 218, Bow Road, E. 12. Yorklyde, Moorbrook Mills, Huddersfield, 11.30.

Skelmersdale

Whichever way you say it, Skelmersdale stands for a deal that goes further than the special government grants and nearness to motorways. Namely a personal and businesslike approach to helping the industrialist.

Call us and discover that there's more to our name than meets the eye. The Industrial Development Officer, Skelmersdale Corporation, Pennylands, Skelmersdale, Lancashire, WN8 8AR. Tel: Skelmersdale 24242 (STD Code 0695) Telex: 628259

Skelmersdale what's in a name?

Tesco burdened by interest on finance for expansion programme

FINANCE charges associated with the expansion programme at Tesco Stores (Holdings), multiple retailer, have resulted in a lower than anticipated profit for the year to February 23, 1980. At the pre-tax level the second six months showed a £4.38m diminution at £19.49m, and this left the full year figure some £1.1m in deficit at £36.53m.

However, Mr. Leslie Porter, chairman, says he anticipates higher profits for the current year, and longer term prospects for the expanding group are very encouraging.

Commenting on finance, he says capital expenditure last year amounted to £110m. This covered the purchase of Cartiers, the concluding tranche of the investment in Tesco Stores Ireland and demands of the company's store development programme.

Deciding not to allow the scope of this programme to be limited by the company's cash flow capability, the directors turned to the banks for short term borrowing. In consequence a substantial interest burden, in the UK in the latter part of the year when rates stood at exceptionally high levels, affected current profitability.

At the year end, group short term borrowings (less cash in hand) totalled some £82m, compared with a similar position of around £20m at February 1979. Interest paid during the 12 months amounted to £3.21m, against £1.57m received last time.

In view of the probability of continuing high interest rates, the board is currently reviewing its borrowing strategy.

Mr. Porter said later yesterday "We are researching various methods of reducing the burden of borrowings." He was not prepared to give details, but declared, "We are definitely not contemplating a rights issue."

Meanwhile, the group has decided to put its U.S. takeover ambitions on ice "for at least 12 months." We have recently undertaken feasibility studies at home and overseas, including a particularly detailed examination of the U.S. market.

"Valuable group work has been done, but we have decided firmly not to proceed with any such projects in the foreseeable future."

Mr. Porter said that the decision to defer the hoped-for U.S. move had not been influenced by the borrowing burden, but more by the big expansion plans the group was now pressing ahead within the UK and the executive time these involved.

Including £26.5m from Tesco Stores Ireland and £26.3m from Cartiers, during last year, group turnover rose by £366m to £1.6bn, reflecting a substantial

HIGHLIGHTS

Lex looks at the slight profits setback at Tesco which it contrasts with the recent buoyant results from Sainsbury. The column also looks at Tesco's grounds for optimism and discusses the heavy debt burden implicit in the endless quest for physical expansion. Lex examines the marked upturn in Westland's first-half profits, reflects on the helicopter manufacturer's recent problems and ponders its chances of bringing on a new generation of non-military machines. Johnson Matthey has beaten all stock market predictions with a sparkling fourth quarter and Lex analyses the possibility of continued growth against a background of subdued precious metal prices. Elsewhere, the curtain on the long-awaited House of Fraser annual meeting is raised, a consortium has agreed with the joint receivers to buy parts of the Dunelm-Comber-Max toy business, there were fireworks at the Camrex annual meeting and, finally, T. Cowie has won control of George Ewer.

volume gain. Tax for the period took £1.37m (£1.1m) and, with earnings per 5p share at 10.58p (11.51p), the net final dividend is 1.45p for a 2.45p (1.9527p) total.

| | 1979-80 | 1978-79 |
|-----------------------|-----------|-----------|
| Turnover incl. VAT | 1,601,529 | 1,235,902 |
| VAT | 70,321 | 34,057 |
| Trading profit | 54,348 | 46,022 |
| Interest payable | 3,207 | 1,571 |
| Depreciation | 14,641 | 10,332 |
| Minority loss | 31 | 21 |
| Profit before tax | 36,831 | 37,082 |
| Tax | 1,370 | 1,102 |
| Net profit | 35,461 | 35,980 |
| Surplus on prop. sale | 367 | 346 |
| Extraord. items | 72 | 229 |
| Dividends | 9,164 | 5,471 |
| Reserves | 27,435 | 30,564 |

Mr. Porter says the reduction in pre-tax profit (which included a post interest loss of £1.3m by Tesco Stores Ireland) is regarded as not unsatisfactory in the circumstances and an unavoidable initial step in the five-year plan to expand dramatically the

group's total selling area.

The base from which the group is growing is substantially larger than that from which it made its expansions of the "seventies." Compared with then, the lead time before new capacity makes a full contribution to profits is correspondingly more pronounced. The interruption to profit growth this year will, he believes, be short lived.

Looking at the acquisition element of group strategy, he says the purchase of three Gups (now Tesco Stores Ireland) and Cartiers has broadened the group's base. However, the effect of interest charges associated with their acquisition has inevitably depressed their performance in the first year and has been an important factor in the temporary fall in group profits.

Apart from acquiring external businesses, progress has been made with plans for internal profit growth. The policy behind the development programme for

the existing store network is, in essence, to base operations around a smaller number of larger units. Superstores have, in the board's experience, proved to have the best profitability potential. The group will have at least 100 of these stores by 1984.

Accordingly, between 1977 and 1979, the group closed 171 smaller stores as part of the rationalisation programme. A further 55 units were closed in 1979-80. At the same time, including Cartiers, 523,500 square feet of new selling area has been added by extension and by establishing new large scale units.

These moves are part of the plan to expand the net selling area from the current 6.2m square feet to 8m square feet of generally larger units by the end of 1983-84.

The company has improved its position as market leader in the supermarket field. It now has a 14.6 per cent share of the dry grocery market, compared with 13.4 per cent in April 1979. Highly in Home 'n' Wear has the performance been disappointing. Here turnover and margins suffered as a result of increased VAT in a market already affected by the pressures on disposable incomes and where competition is intense. Nevertheless, Mr. Porter says this division has a bright future in the longer term.

Based on an internal valuation by the group's chartered surveyors, the value of the property portfolio as at February 23, 1980 was £260m, giving an excess of £175m over book value, which has not been included in the accounts. For the purpose of the valuation, property in the course of construction and land purchased for development has been included at cost.

Lex, back Page

Anglia TV ahead to £2.97m in first half

INCREASED advertising revenue helped Anglia Television Group to a 75 per cent rise in operating profits, from £3.4m to £5.96m, in the six months to April 30. Turnover increased by over 80 per cent from £11.02m to £16.89m.

Sharply higher Exchange rate at £1.34m (£1.33m) held the advance at pre-tax level to 47 per cent, from £2.02m to £2.97m, which included share of associates' profits of £148,000 (£48,000 loss).

The Board says the first-half results have been influenced by a substantial increase in advertising revenue, aided by the steady development of programme sales, but warns that the second half does not normally match the first, and the difference is likely to be more marked this year.

The interim dividend is lifted from 1.77p to 3p. Last year's total profit of £3.87m paid from pre-tax profits of £2.72m. Stated earnings per 25p share are 10.95p (7.11p) for the six months, after tax of £1.55m (£1.12m) and losses attributable to minorities of £24,000 (£38,000).

comment

Starting its financial year just after the ITV strike, Anglia Television was able to take advantage of buoyant demand for advertising. The group's 47 per cent pre-tax profit rise can be traced to a 42 per cent increase in network advertising revenue and to a continuing solid performance in programme sales. This year programme sales should bring in about £2m in income, half of which will come from the sale of the "Tale of the Unexpected" series to the Americans. The market seemed pleased with a 27 per cent interim dividend boost yesterday and put the share 6p up to 32p. At this price a full year yield of 8.1 per cent seems possible if the final repeats the interim rise. Anglia should achieve at least 54m pre-tax this year, which suggests a fully taxed p/e of 5.6. The shares look quite reasonably priced.

BIFURCATED ENGINEERING

Bifurcated Engineering has completed the purchase of JEB Fasteners, a private company whose business is in the distribution of fasteners. The revised total consideration is £372,042 of which £165,023 has been paid in cash together with the allotment of 188,537 ordinary shares. The balance of the consideration (£122,042) payable in cash or partly in shares and cash.

Strong performance by Westland in first half

FOR the half-year ended March 31, 1980, turnover of Westland Aircraft rose from £27.19m to £105.44m and pre-tax profits were higher at £10.57m compared with £4.21m in the same period last year.

The profit increase reflects improved efficiency, the directors say, but also owes much to inflation. The turnover has increased in money terms but there has been no real growth—however, the second half has begun satisfactorily.

First half earnings per share are stated at 12.1p against 4.7p. The interim dividend is stepped up from 1p to 2p and on the basis of present information, the board is likely to recommend a final of not less than last year's 3p.

The first half profit includes interest of £324,000 (£354,000 debit) and is before tax of £2.56m (£915,000) and minorities, £741,000 (£483,000). In the previous half year, profit was after an exceptional debit of £1m. The directors say the historic attributable profit of £7.2m would be reduced to £2.5m after CCA adjustments.

In the year ended September 30, 1979, the group recovered

from pre-tax losses of £2.86m to a £16.02m profit.

An analysis of turnover and trading profit—£9.61m (£5.58m)—shows helicopters contributed £78.12m (£67.58m) and £8.35m (£3.32m) respectively; hovercraft, £2.03m (£1.08m) and £1.08m (£282,000 loss); control equipment and systems, £15.08m (£10.54m) and £3.51m (£1.71m); other products, £10.25m (£7.97m) and £279,000 loss (£240,900 profit). Excluding company and consolidation adjustment totalled £25,000 (£23,000).

Since the chairman's annual statement, contracts for 32 Navy Lynx, 14 Army Lynx, two Sea Kings and 33 Gazelle helicopters have been received, or are being finalised. In the first half, orders have exceeded turnover.

Deliveries of Lynx, Sea King and Gazelle helicopters have been satisfactory and the first of a new variant of the Puma helicopter was delivered to the RAF on time in May, the directors say.

All Lynx included in the initial MoD contract have been delivered, and the group expects to complete before the end of the calendar year its review of the 1977 and 1978 provisions. No release has been made from

these provisions in this half year, but the review is expected to show a surplus.

Despite efforts, progress has not yet been made in negotiations with Westland's former partners in the Arab British



Lord Aldington, Westland chairman

Joint helicopter venture

WESTLAND Helicopters and Costozioni Aeronautica Giovanni Agusta S.p.A. have formed a joint company to

manage the development, manufacture and marketing of a new medium-weight helicopter, the EH 101.

The company, E.H. Industries, is to be based in London. It has a nominal initial capital, owned equally by Westland and Agusta.

The helicopter will meet the requirements of the Royal Navy and the Italian navy for replacements of the Sea King and ASR-3D machines.

Lord Aldington, chairman of Westland Aircraft, said yesterday that the intention was to develop a helicopter that would sell in large

numbers. He indicated that sales could approach 1,000 units.

The EH 101 will be developed for defence purposes, and the project is expected to be fully funded by the UK and Italian governments. Lord Aldington said, however, that the intention was to develop a machine acceptable for civil as well as defence purposes.

The helicopter would have an all-up weight of 25,000 lb, compared with the Sea King's 20,000 lb. Deliveries would not start until the latter part of the 1980s, and the project would have no impact on Westland's profits for eight to 10 years.

Helicopter Company: The Board is continuing to seek an amicable settlement but has been advised to take the necessary steps to protect its rights.

The Super 4 hovercraft are performing better than their original specification and some small increase in price was obtained from British Rail Hovercraft by negotiation. The company is not able in law to make any further claims, the directors say. Westland will shortly complete its review of the contract and its provisions and while no release has been made from those provisions the company expects its review to show a surplus of the order mentioned in the annual statement.

Work continues on the 14 SRN 55 for overseas customers. Lex, back Page

Upsurge at Johnson Matthey—12p final

A JUMP in the final quarter from £7.13m to £18.42 helped push pre-tax profits of Johnson Matthey and Company, precious metals refiner, well ahead to £38.61m in the year to March 31, 1980, compared with £21.58m.

The dividend is effectively raised from 8.5p to 15p net with a final of 12p and the directors are planning a one-for-one scrip issue.

Group sales, excluding Johnson Matthey Bankers, rose from £561.11m to £868.56m and the profit is struck after interest of £9.34m (£4.59m) and depreciation of £6.41m (£4.2m).

Tax takes £13.14m (£10.02m)

and after exchange losses of £2.44m (£2.19m) and minorities, the attributable surplus is up from £9.31m to £23.05m.

An exceptional credit this time of £23.11m, comprising deferred tax no longer required of £30.2m less ACT of £7.1m, is transferred to reserves.

Dividends absorb £7.96m (£4.26m), leaving retained profits of £15.08m against £5.05m. Stated earnings per £1 share are up from 26.1p to 46p.

A revaluation of base stocks of precious metals at the year-end shows a surplus, after tax, of £49.94m.

Lex, back Page

Sound Diffusion declines

TAXABLE profits of Sound Diffusion, electronic engineer, fell from £790,000 to £379,000 in 1979 after interest charges and depreciation amounting to £526,000 against £415,000.

The surplus includes £23,000 from the sale of repurchased rental installations, compared with £547,000 in 1978.

Tax takes £75,000 (£45,000) leaving a net surplus of £304,000 (£745,000). And as forecast, the annual dividend is effectively raised from 0.8p to 1.05p net.

No surcharge on products and services provided by Sound Diffusion (Manufacturing) and Sound Diffusion (Service) was made during the year.

Lex, back Page

Duple expects similar result

AN INCREASE in taxable profits from £1.48m to £1.8m for the half-year to February 29, 1980, is reported by Duple International, the coachbuilding, plastics and engineering concern. But the directors warn that second-half profits will be affected by rising costs of materials and the full-year outcome should be similar to the £3.7m achieved last time.

The coachbuilding division continues to be the group's mainstay, the directors add. A new service centre has opened in Scotland and there is a £1.7m improvement programme at the Blackpool works.

The net interim dividend is raised from 0.337p to 0.7p—last year's total was 1.442p. A one-for-four scrip issue is proposed, followed by consolidation of the

5p shares into 25p shares. The interim payment would be 2.8p on this basis.

Stated earnings per share are up from 1.7p to 2.1p, or 8.4p after the scrip and consolidation.

Tax took £307,000 (£277,000). Turnover improved from £10.2m to £12m.

5p shares into 25p shares. The interim payment would be 2.8p on this basis.

Stated earnings per share are up from 1.7p to 2.1p, or 8.4p after the scrip and consolidation.

Tax took £307,000 (£277,000). Turnover improved from £10.2m to £12m.

All these securities having been sold, this announcement appears as a matter of record only.



Cafetero Finance Corporation

U.S. \$30,000,000

Guaranteed Floating Rate Notes 1985

Guaranteed by

Banco Cafetero

(Wholly owned by the National Coffee Fund of the Republic of Colombia.)

Chemical Bank International Group

Arab Latin American Bank —ARLABANK—

Bank Brussel Lambert N.V.

County Bank Limited (NATIONAL WESTMINSTER BANK GROUP)

Grindlay Brandts Limited

Scandinavian Bank Limited

Société Générale

Banco Nacional de México, S.A. —BANAMEX—

Banco Português do Atlântico (Cayman Islands Branch)

Bank of Montreal International Limited

Banque de l'Indochine et de Suez

Alahli Bank of Kuwait K.S.C.

Banca del Gottardo

Banco Alemán-Panamero S.A., Panamá

Banco de Bilbao, London Branch

Banco di Roma

Bank Gutzwiller, Kurz, Bungere

(Overseas) Limited

Bank of Helsinki Ltd.

Bank Leu International Ltd.

Banque Générale du Luxembourg S.A.

Banque de Neufilze Schlumberger Mallet, Paris

Barclays International Group

Berliner Handels- und Frankfurter Bank

Centrale Rabobank

Crédit Industriel et Commercial

Crédit du Nord

Dai-ichi Kangyo Bank Nederland N.V.

Daiwa Europe N.V.

Citicorp International Group

Banco de Bogotá S.A. (Panamá)

CIBC Limited

Deutsch-Südamerikanische Bank AG

IBJ International Limited

J. Henry Schroder Wagg & Co. Limited

Crédit Agricole

Handelsbank N.W. (Overseas) Limited

International Mexican Bank Limited —INTERMEX—

Marine Midland Limited

Euro-Latin American Bank Limited —EULABANK—

Genossenschaftliche Zentralbank AG —Vienna

Antony Gibbs Holdings Limited

Gulf Riyad Bank E.C.

Kleinwort, Benson Limited

Kuwait Foreign Trading Contracting

& Investment Co. (S.A.K.)

LTGB International Limited

Mitsubishi Bank (Europe) SA, Brussels

The Nikko Securities Co. (Europe) Ltd.

Sarwa Bank (Underwriters) Limited

Skandinaviska Enskilda Banken

Société Centrale de Banque

Sveriska Handelsbanken

Vereins- und Westbank Aktiengesellschaft

J. Vontobel and Co.

M. M. Warburg-Brinckmann, Wirtz and Co.

May 1980

DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre. div. year | Total last year |
|--------------------------|-----------------|-----------------|------------------|-----------------|
| Alliance Invest. | 3.1 | July 17 | 2.7 | 5.8 |
| Anglia Television Int. | 2 | Aug. 4 | 1.57 | 3.57 |
| Ariel Industries | 1.62 | Sept. 1 | 1.42 | 3.04 |
| Baker's Bldg. Str. | 0.85 | Aug. 8 | 0.5 | 1.35* |
| Bell & Sime | 5 | — | 4.45 | 6.75 |
| Brownlee | 4 | Aug. 23 | 3.4 | 5 |
| Downs Surgical | 0.8 | Oct. 6 | 1.63 | 1.6 |
| Duple Int'l. | 0.7 | — | 0.34 | 1.04 |
| Maurice James Inds. | nil | — | nil | 0.75 |
| Johnson Matthey | 12 | July 30 | 5.9 | 15 |
| Ernest Jones (Fwls) Int. | 1.4 | Aug. 20 | 1.25* | 8.5* |
| Kampong Lanjut | 30p | July 30 | 9 | 21.5 |
| Kuala Lumpur | 10p | July 30 | 30 | 40 |
| R.K.T. | 3 | July 31 | 1.5 | 10 |
| Scot. American Inv. Int. | 1.25 | July 31 | 1 | 3.5 |
| Sound Diffusion | 1.05 | Oct. 2 | 0.8* | 1.05 |
| Tesco | 1.45 | July 31 | 1.19 | 2.45 |
| W. Wassall | 0.45 | July 31 | 0.48 | 0.88 |
| Westland Aircraft | 2 | July 31 | 1 | 4 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months. § Gross Malaysian sen throughout. ¶ Includes special non-recurring payment of 0.3p.

SPAIN

| June 18 | % | Change |
|-----------------|-------|--------|
| Banco Bilbao | 219 | -2 |
| Banco Central | 248 | -3 |
| Banco Exterior | 213 | -2 |
| Banco Hispano | 218 | -2 |
| Banco Ind. Cat. | 122 | |
| Banco Madrid | 141 | |
| Banco Santander | 282 | |
| Banco Urquijo | 152 | -3 |
| Banco Vizcaya | 125 | -3 |
| Banco Zaragoza | 200 | |
| Dragados | 77 | -5 |
| Canapleno Zinc | 60 | |
| Peca | 64.5 | +0. |
| Alca. Preclados | 29 | |
| Hidrolo | 68.7 | |
| Barroero | 66.5 | -0. |
| Petroleros | 106.5 | +0. |
| Lografia | 107 | |
| Telefonica | 58 | |
| Union Elect. | 64 | -1 |

BIDS AND DEALS

Charterhouse selling Glanvill for £11.7m

Charterhouse Group, the investment and banking company with wide-spread industrial interests, has agreed in principle to sell Glanvill Kathöven, its insurance subsidiary, to Jardine Matheson, the Hong Kong-based trading group, for £11.7m.

Charterhouse, which last month agreed the purchase of Keyser Ullmann for £43m, said the insurance broking activities of the two groups are complementary and the merger will produce a more broadly-based business with considerable potential for growth in the UK and overseas.

Mr. Geoffrey Rowett, chief executive of Charterhouse, said yesterday: "We grow companies." Jardine wanted to develop its international insurance broking interests and the merger would place Glanvill in a stronger position to develop more fully.

Charterhouse has specialist insurance broking interests and

would expand these further when the opportunity arose, he said. Glanvill reported profits, before interest and tax, down from £1.87m to £1.48m in 1979. This resulted from adverse economic and insurance market trends, together with continued expenditure to increase long-term efficiency and growth.

Brokerage income increased, but the continued strength of sterling and the weakening of the U.S. dollar combined with excess insurance market capacity throughout the world restricted growth.

Glanvill had a turnover of £11.84m (£10.55m) in 1979. Net tangible assets at December 31 stood at £3.47m.

EMAP BUYS NEWSAGENTS

East Midlands Allied Press has purchased four retail newsagents shops in Peterborough and Ely from the family of Mr. D. T. B. Stops.

The consideration £182,500 is satisfied by a payment of £87,500 and the issue of 96,154 "A" (limited voting) ordinary shares.

Advance has 97.8% of Richmond Park

The offer on behalf of Advance Laundries to acquire the Richmond Park Laundries has been accepted by the holders of 78,310 of Richmond and by the British Electric Traction Co. in respect of its holding of 1,58m ordinary shares. Taken together, these acceptances represent 97.8 per cent.

The offer has become unconditional save for the passing of the resolution set out in the notice of meeting of Advance stockholders convened for June 25 and remains open for acceptance until further notice.

Setback for Downs Surgical

CONTINUING CUTS in National Health Service spending and the strength of sterling reduced pre-tax profits of Downs Surgical to £358m in the year to March 31, 1980, compared with £1.78m for the previous 15 months.

The final dividend is reduced from 1.625p to 0.8p for a total of 1.8p against 3.225p.

The increase in sales forecast after the first six months, when profits were down from £814,000 to £503,000, failed to materialise, say the directors, and the opening months of the current year still show no signs of an upturn in trade.

Sales of the group, which manufactures and supplies surgical instruments and hospital equipment, fell from £18.14m to £14.36m.

The profit is struck after interest of £321,000 (£228,000) but before tax of £100,000 (£245,000). Earnings per 10p share are shown as 5p (5.95p).

Mr. Alex Cameron, who resigned as chairman after a 1978 boardroom row, led a group of five shareholders who voted unsuccessfully against the re-election of Mr. Roger Wake, the chairman, as a director. He said that Mr. Wake had lost credibility and should resign.

Mr. Cameron said he was concerned about the financial state of Camrex. "I don't think the shareholders realise how serious the condition of the company is. There is a major cover-up by the board," he said. Mr. Wake dismissed these comments.

Former chairman criticises board at stormy Camrex annual meeting

BY ALAN FRIEDMAN

A CALL for the resignation of the chairman, an unsuccessful demand that the report and accounts be rejected and a call for a public enquiry into the affairs of the company were features of yesterday's stormy annual meeting of Camrex, the specialised paint and coatings manufacturer.

Mr. Alex Cameron, who resigned as chairman after a 1978 boardroom row, led a group of five shareholders who voted unsuccessfully against the re-election of Mr. Roger Wake, the chairman, as a director. He said that Mr. Wake had lost credibility and should resign.

Mr. Cameron said he was concerned about the financial state of Camrex. "I don't think the shareholders realise how serious the condition of the company is. There is a major cover-up by the board," he said. Mr. Wake dismissed these comments.

The former chairman urged that the company accounts should not be adopted because they did not contain a provision for a £250,000 claim in the United States in the profit and loss account. Mr. Wake replied that it was not appropriate to "verbally rewrite the accounts."

Provision in respect of the U.S. claim is dealt with in a note to the report and accounts.

Mr. Cameron was also the leader of a small group of shareholders who voted against the payment of a dividend for 1979, claiming that it was uncovered and not affordable. The dividend resolution, however, passed.

Mr. Wake was questioned by an institutional shareholder as well as his predecessor on the resignation of Mr. John Witter, group managing director, and Mr. Peter Dillon, finance director, in March. He explained that the departure had come about as

a result of "disagreement on policy and a clash of personalities."

But Mr. Cameron claimed that "86 per cent of the main board and 80 per cent of the subsidiary board" had resigned within the last year. The chairman later agreed that these figures were roughly accurate and revealed that Mr. George Fisher, the finance director of subsidiary Camrex Limited, had resigned in late May.

Mr. Wake told shareholders that the group finance director would be replaced "in a matter of weeks." But he said that the group managing director would not be replaced because the contracting side of Camrex which was in loss in the second half of last year, is being run down.

"I expect that we will complete our current contracts but we will not take on any major new ones."

By reducing the group's involvement in contracting we expect to release substantial funds into our paint side," he said.

The contracting business was to be closed down in about two years, added Mr. Wake, which would release funds of about £4m. Meanwhile the tanker vessel coatings division would be improving in 1981, as ship construction continued.

Current trading is difficult and the group had a number of problems, said Mr. Wake. The interim results would be disappointing and it was expected that there would be a loss at the half-way stage.

Finally Mr. Wake said that Camrex "may well come together later on" with Dufay Bitumastic, the paints company in which it holds a 29.75 per cent stake. He said that the difficulties faced by the two companies were very similar.

Cowie wins control of Ewer as acceptances reach 12%

T. Cowie, the Sunderland-based motor dealer, yesterday won its hard-fought takeover battle for George Ewer and Co., the motor distributor and Grey Green coach operator.

With acceptances of 12.1 per cent Cowie, which had been highly critical of Ewer's purchase of Eastern Tractors, announced that it had 50.31 per cent of the Ewer capital as enlarged by the new shares issued under the Tractors deal. Listing for these new shares was granted yesterday.

Cowie's basic offer, equal to 52p per share, attracted acceptances from holders of 2,487,521 shares. Had the Tractors deal fallen through, Cowie would have offered holders 55p per share.

The offer is now unconditional and has been extended until July 4. Ewer holders wanting the all-cash offer must accept within the next seven days.

Mr. Tom Cowie, the chairman of Cowie said his first task would be to establish a rapport with the Ewer board. He said he

looked forward to a harmonious relationship with the company to see how the whole operation could be best put together.

Mr. Cowie said he would take a close look at Tractors to see what was the best it had to offer. He said he was used to turning round difficult situations.

Mr. Anthony Vincent, deputy chairman of Ewer, said he was a "little disappointed" that Cowie had obtained control despite the advice of the board that the offer was inadequate. But he maintained that a large shareholders had not accepted the offer.

Ewer would be consulting with its advisers and writing to shareholders shortly.

On Tuesday, Laurence Prust, in behalf of associates of Ewer, bought a further 110,000 shares in Ewer at 56p. In the market yesterday, Ewer closed 5p lower at 51p while Cowie was unchanged at 38p.

SHARE STAKES

A. G. Stanley Holdings — Berger, Jensen and Nicholson,

has purchased a further 25,000 ordinary shares bringing total holding to 3,056,287 (12.1 per cent). Mr. Malcolm J. Shaw, chairman, has sold 125,000 ordinary shares and his total holding is now 2,084,779 (8.25 per cent).

Beechwood Construction (Holdings) — Mr. J. C. R. Downing, chairman, acquired 8,750 ordinary shares.

Low and Bonar Group — Mr. B. H. Lewis, director, has acquired a non-beneficial interest in 66,666 ordinary shares.

Aquascutum — Sir Charles Abrahams, director, acquired 5,000 ordinary shares.

City and Commercial Investment Trust — The Edinburgh Investment now holds 375,000 capital shares (10.7 per cent).

Ambrose Investment Trust — Mr. S. W. Penwill, director, disposed of 5,000 income shares.

Charterhouse Group / Keyser Ullmann Holdings — Company subsidiaries Charterhouse Japhet disposed of 10,000 ordinary shares of Keyser Ullmann on June 17, at 80p, and now holds no Keyser Ullmann shares.

Federated Land — Mr. J. H. P. Meyer, director, disposed of 200,000 shares.

Mercantile House Holdings — Edinburgh Investment Trust has acquired a further 30,000 ordinary shares thereby increasing its holding to 355,000 shares (6.04 per cent).

F. Miller (Textiles) — The Morgan Grenfell Special Exempt Fund is interested in 675,000 ordinary shares (25 per cent).

ASSOCIATE DEAL
Grierson, Grant and Company, as associates of the Charterhouse Group, purchased 25,000 Keyser Ullmann Ordinary at 81p and 25,000 at 80p, on June 17.

Brownlee improves to £1.56m

PRE-TAX profits of Brownlee and Co., Glasgow-based timber group, are up from £962,000 to £1,560,000 in the year ended March 29, 1980 and the directors are lifting the dividend from 4p to 5p per share with a 4p final. A one-for-two scrip issue is also proposed.

First-half profits had risen from £405,000 to £838,000 but the board said these improved results should not be the basis on which to estimate full year results. They expected, however, that pre-tax profits would compare favourably with the previous year.

The mild winter last year was helpful while the steel strike had little effect on trading, the directors now report. World prices for timber and timber-based products rose steadily and there were opportunities to earn stock profits, although these were limited by the strength of the pound.

The home improvement market continued to expand and the group has widened its product range. The manufacture of veneered panels has shown some improvement but competition has become increasingly keen and the overall position is not yet satisfactory.

Stated earnings per share at the year-end were 17.1p against 10.1p.

The major part of associates' contribution came from Alliance Serratt (Scotland), whose performance in the second half of the year was seriously affected by industrial disputes, both internal and external.

Jointery Centre had a disappointing second half but made a small profit to the year.

On the current year, the directors say it will continue to be the policy to expand its market-place and to take advantage of every opportunity to serve both the public and private sectors in the prevailing trend towards housing improvement.

comment
The Government's willingness to use its housing programme as an economic regulator must add an element of uncertainty to future trading at Brownlee. It operates in Scotland, where the public sector's share of new housebuilding is one of the highest in Europe. The company diversification into renovation and DIY-oriented products should however provide a counter-cyclical element. The figures are helped along by the substantial stock profits arising

RESULTS AND ACCOUNTS IN BRIEF

HEAVITRE BREWERY — Interim dividend 6.6 per cent (same), pay July 4. Turnover half year to April 30, 1980, £1,419,051 (£1,282,673). Pre-tax profit £226,554 (£207,633). Tax £116,850 (£107,580).

FINE ART DEVELOPMENTS — Results for year to March 31, 1980, already reported. Stocks £17.7m (£14.01m). Debtors £8.04m (£5.54m). Bankers £2.2m (£2.23m). Reserves £5.48m (£11.3m). Proposal at AGM to raise authorised share capital from £2m to £5m ordinary. Meetings: 8000 upon Terms, South, July 3, at 4 pm.

ASH AND LACY (metal stockholder and perforator) — Results for 1979 with prospects. Kinross, known. Shareholders' funds £10.32m (£8.35m). loan capital £0.35m (£1.15m). Group borrowings and indebtedness £2.8m (£1.74m). Interim cost pre-tax profit £1.77m, compared with historical £2.53m. Meeting, Telford, May 12, 11.45 am.

FIDELITY RADIO (radio equipment) — Results for year ended March 31, 1980, already reported. Shareholders' funds £5.62m (£5.47m). secured loans £124,202 (£144,800). Chairman anticipates better results at the end of the current year. Meeting, Concord International Hotel, 22, July 10, 11 am.

DERENTON STAMPING COMPANY — Results for year to February 29, 1980, already reported. May 15. Reserves £11.77m (£8.88m). Stocks £7.98m (£5.36m). Bank loans and

improvement but competition has become increasingly keen and the overall position is not yet satisfactory.

Stated earnings per share at the year-end were 17.1p against 10.1p.

The major part of associates' contribution came from Alliance Serratt (Scotland), whose performance in the second half of the year was seriously affected by industrial disputes, both internal and external.

Jointery Centre had a disappointing second half but made a small profit to the year.

On the current year, the directors say it will continue to be the policy to expand its market-place and to take advantage of every opportunity to serve both the public and private sectors in the prevailing trend towards housing improvement.

comment
The Government's willingness to use its housing programme as an economic regulator must add an element of uncertainty to future trading at Brownlee. It operates in Scotland, where the public sector's share of new housebuilding is one of the highest in Europe. The company diversification into renovation and DIY-oriented products should however provide a counter-cyclical element. The figures are helped along by the substantial stock profits arising

Maurice James at £0.6m

PRE-TAX profits of Maurice James Industries expanded from £408,000 to £614,000 for 1979, as expected, after interest charges £153,000 lower at £113,000.

Midterm profits were well ahead at £300,000, against £129,000.

Turnover for the year amounted to £9.45m (£11.04m) including £2.41m in respect of Casper Jack. This company was

sold last October and its results included in the group's 1979 figures, its contribution to profits totalled £43,000.

Earnings per 20p share of this industrial investment company are shown to have risen from 1.6p to 3.5p, after tax of £133,000 (£200,000). There is again no final dividend, which leaves the interim of 0.75p (0.5p) as the year's payment.

overdrafts £2.05m (£1.98m). Chairman says investment in buildings, plant and equipment totalled £1.45m. This year's programme is very similar but dependent on trading conditions. Meeting, Dringworth, Works, July 5, at 12.30 pm.

FOSTER BROTHERS CLOTHING COMPANY — Results for year to February 28, 1980, reported on May 16 in full preliminary report. Ordinary shareholders' interests £27.56m (£22.15m); bank overdraft £2.08m (£1.19m). During the year an ex-gratia payment of £22,500 was made to a retiring director. Chairman says there is potential for expansion, particularly in the south-east, but this will not be expanded for its own sake, but profitable growth as the right opportunities arise. Meeting, St. John's Hotel, Solihull, July 9, noon.

DWEEK GROUP (PVC vinyl, houseware products and plastic frame manufacturer) — Results for 1979 already known. Shareholders' funds £2.21m (£1.95m). Loans £254,370 (£14,225). Cash £23,891 (£258,508). Overdrafts £1.25m (£0.42m). Company says recession and attempts throughout industry to reduce stocks has affected turnover so far in 1980, but strenuous efforts are being made to benefit from any improvement in the business climate. Meeting, 99, High Road, London, N12, July 4, 12.30 pm.

Pergamon pays £1m for Infoline information group

Pergamon Press, the publisher of scientific books and journals, has paid £1m for Infoline, a computer-based information service which mainly operates in the UK and Europe, but aims to expand into the U.S.

In the past three years, Infoline has made losses of around £1m. Pergamon hopes to return it to profit in a couple of years, Mr. Robert Maxwell, the group's chairman, said yesterday. Pergamon intends to invest another £2m into Infoline, which

provides a scientific, technological and patents bibliographical information service.

REED INTNL. DEAL SANCTIONED

The scheme of arrangement for the acquisition by Reed International of London and Financial Foster Group has been sanctioned by the High Court and has accordingly become effective and binding on L and P shareholders.

REPORTS TO MEETINGS

Nurdin and Peacock sales rise

SALES FOR the first 22 weeks of the current year at Nurdin and Peacock, cash and carry wholesaler, were more than 20 per cent higher than in the same period of 1979, and Mr. W. M. Peacock, the chairman, told the annual meeting that he was optimistic for the company's future.

The new 50,000 square feet cash and carry warehouse at Luton opened with a record week's sales and record figures had been maintained for subsequent weeks.

At other annual meetings, the chairman reported the following:

British-Borneo Petroleum Syndicate — The company had made a good start in the current year, with the unrealised appreciation

of its Stock Exchange investments having shown a further increase since March 31 of £2.47m.

The board expected a higher income from the company's investments and a continuance of profits on realisations which should give a good result for this year.

Glanvill — Results for the first quarter of 1980 of this engineering and building products group were extremely encouraging despite the steel strike. However, in the second quarter there had been a downturn in many group activities due partly to the Government's efforts to reduce the level of inflation.

Shiloh Spinners — While the short-term prospects were not good, there was still confidence

in the company's long-term future, provided it could respond to changing trading conditions when they occurred.

Brixton Estate — The company was one of the few major property investment companies which continued to have an active and successful development programme, both in the UK and overseas—the current £25m programme was making good progress.

Francis Shaw and Company — Last year's losses had made it necessary that the company's streamlining and rationalisation plans became much more drastic. To survive it was necessary to minimise the utilisation of the group's financial resources and to keep borrowings under control.

APPOINTMENTS

Career opportunity for property valuation computer

The applicant will be expected to demonstrate a good all-round organisational ability with a view

Who knows but that one day property asset valuations may be computed with the aid of silicon chips and robots fed on mechanical data and the very latest official recommendations, producing up-to-date open-market valuations to satisfy the most recent Current Cost Accounting procedures.

Until that day arrives our progressive clients, old and new, will rely upon specialised, professional and practical experience.

Edward Erdman

Surveyors

6 Grosvenor Street, London W1X 0AD Telephone: 01-629 8191
184 St. Vincent Street, Glasgow G2 5SG Telephone: 041-221 8345

CITY OF LONDON · PARIS · AMSTERDAM

Brixton Estate

International investors in commercial property

Annual Report 1979

- 31% increase in net profits.
- 50% increase in proposed net dividend.
- £18 million surplus from revaluation of investment properties.
- 1 for 5 bonus issue proposed.
- Funds available to finance all current commitments.

| | 1979 | 1978 |
|--------------------------------|--------------|--------------|
| Rental Income | £8,885,000 | £7,150,000 |
| Gross Profit | £3,319,000 | £2,772,000 |
| Value of Investment Properties | £150,388,000 | £123,583,000 |
| Earnings per Share | 5.11p | 3.89p |
| Net Assets per Share | 190p | 150p |

Copies of the Report and Accounts for 1979 may be obtained from The Secretary, 22-24 Ely Place, London, EC1N 6TG.

Brixton Estate



Sunderland and South Shields Water Company

AN ACTIVE AND PROGRESSIVE YEAR

The following matters were referred to in the Report and Accounts presented at the Annual General Meeting on Wednesday, 18th June, 1980, and in the statement by the Chairman, Mr. Walter B. Allan:

There was little change in the average daily consumption of water in the Company's area of supply during the year ended 31st March, 1980, compared with the preceding year in which there was an abnormally large increase in consumption. The long-term trend of consumption is still rising. The Derwent Reservoir refilled to top water level in February 1980 and water is available from the River Wear Scheme, so that the present water supply position is satisfactory.

Most of the final adjustments required to the complex treatment plant of the River Wear Scheme were made during the year and the scheme is working satisfactorily. The provision of additional service reservoir capacity is necessary and it is hoped to start construction of a second reservoir at Stonygate during 1980.

The financial results for the year were satisfactory. Continuing inflation and an anticipated major increase in water abstraction charges payable to the Northumbrian Water Authority led to an increase in water rates of 27% and in metered charges of 31% from 1st April last. The main reason for the increase in abstraction charges is the impact of the Kielder Scheme.

Additional capital was required during the year to finance capital works and to redeem stock which fell due for repayment. An issue of £2,000,000 8% Redeemable Preference Stock, 1986 was made in July 1979 at an average price of £100.24 per cent. It is anticipated that further capital will need to be raised during 1980 to finance the redemption of £3,000,000 Redeemable Preference Stock which is due for repayment in July and to finance capital works.

The Company is engaged upon a revision of its tariffs to comply with the charging provisions of the Water Act, 1973. In the year commencing 1st April 1980, a two-part tariff for metered consumers has been adopted. The larger commercial consumers who were charged on a rateable value basis have been given the option of changing to a metered supply if they so wish and it is intended that this option will be made available to all commercial consumers in phased stages over the next few years.

Sunderland and South Shields Water Company
29 John Street, Sunderland SR1 1JT.

BROWNLEE AND COMPANY LIMITED

Importers and merchants dealing in timber, plywoods, board materials, joinery components, building materials, sawmills and manufacturers of veneered panels and other components.

Substantial Profit Increase

for year ended 29th March 1980.

| | 1980 | 1979 | |
|--------------------|---------|---------|--------|
| SALES | £24,706 | £21,314 | UP 16% |
| TRADING PROFIT | 1,424 | 859 | UP 66% |
| PROFIT BEFORE TAX | 1,561 | 962 | UP 62% |
| ORDINARY DIVIDENDS | 5p | 4p | UP 25% |

Comments by the Chairman, Mr. J. F. McLelland:

- Public spending cuts and high interest rates affected the construction industry, but widened product range enabled Company to benefit from further expansion of home improvement market.
- Rising world prices of timber and timber-based products gave opportunities to earn stock profits, but these were limited by the strong pound.
- Surplus on asset revaluation of £1.1 million credited to reserves.
- Final dividend of 4p. per share on existing capital.
- Bonus issue of 1 new ordinary share for every 2 held proposed.

Annual General Meeting: 22nd August 1980.
The Annual Report & Accounts will be mailed to members on 30th July and copies can be obtained thereafter from the Secretary,
City Saw Mills, Port Dundas, Glasgow G4 5TP.



ERNEST JONES

Extracts from the Interim Report 1979/80

| | Half Year to 29 March 1980 (unaudited) £'000 | Half Year to 31 March 1979 (unaudited) £'000 | Year to 29 Sept. 1979 (audited) £'000 |
|--------------------------|--|--|---------------------------------------|
| TURNOVER (VAT inclusive) | 5,668 | 4,593 | 8,880 |
| TURNOVER (VAT exclusive) | 4,930 | 4,144 | 7,816 |
| PROFIT before TAXATION | 1,214 | 1,065 | 1,618 |
| PROFIT after TAXATION | 583* | 511* | 1,595 |
| EARNINGS per Share | 5.8p* | 5.1p* | 15.9p* |
| DIVIDEND per Share (net) | 1.4p | 1.25p* | 3.75p* |

* The charge for taxation for the six months to 29th March 1980 is based on the U.K. Corporation Tax rate of 52%. The actual rate of taxation payable is expected to be significantly lower than in previous years. The figures for the six months to 31st March 1979 have been adjusted to a comparable basis. The prior year's figures of earnings and dividends per share have been adjusted for the 1-for-1 scrip issue.

Points from the Chairman's Statement:
★ Increased half year turnover and profits.
★ Further branches planned for opening in 1980.

ERNEST JONES (Jewellers) Limited

100 Tottenham Court Road, London W1P 0JL

Companies and Markets

Baker's Stores up 20%

Pre-tax profits of Baker's Household Stores, the Leeds-based self-service group, rose 20 per cent in the first half to March 29, from £329,424 to £397,152. Turnover was up 23 per cent from £2m to £2.47m. Again there was no deduction for tax.

The interim dividend is effectively raised to 0.65p. Last year's total was an adjusted 1.13p. Earnings per 10p share are given as 9.83p (10.58p). For comparison purposes this excludes corporation tax: had corporation tax been provided at 53 per cent, earnings would have been 4.77p.

The board says the improvement in turnover in the first two months was negated by ever-increasing costs, but signs indicate that there should be some gain in second-half profits. The company's cash resources continue to grow, and stand at over £1m.

Tranwood Grp. shows modest improvement

Pre-tax profits of Tranwood Group, manufacturer, distributor and retailer of hosiery and associated products, improved by £10,649 to £115,242 in the year to January 31, 1980. At half year pre-tax profits were £58,000 higher at £27,000. Turnover was up from £6.35m to £6.36m.

No dividend is again being paid—the last payment was an interim dividend of 0.325p net per share in 1976.

After tax lower at £57,000 against £60,000, and minorities of £23,192 (£15,990), stated earnings per 5p share are £0.37p (£0.31p) basic, and 0.57p (0.5p) fully diluted.

Second-half downturn at Bell and Sime

A downturn in second-half pre-tax profits of Bell and Sime from £29,430 to £20,100 left the timber importer and sawmiller with a lower figure of £158,789 for the year ended May 3, 1980, compared with £163,023. The result was struck after a jump in interest charges from £78,011 to £158,681.

A net final dividend of 5p increases the total payment from 5.3806p to 6.75p per 25p share. Turnover for the year rose from £3.93m to £4.58m. There was a tax credit of £1,324 (£36,741 charge), the bank's tax charge having been entirely offset by the release of provisions for stock relief.

Warrington looks for better margins

NEW WORK amounting to some £8m has been secured so far in 1980 by Thomas Warrington and Sons, building contractor and property investor, and this should show slightly improved profit margins, states Mr. Brian Warrington, chairman, in his annual statement.

Income from the property side will improve in the second half, he adds, as rent reviews are agreed. He warns, however, that the building industry is continuing to have a tough time, and the slowdown in demand for private houses is likely to continue.

Despite outside industrial disputes, a reduction in local authority work and the worst winter for many years, 1979 pre-tax profits rose, as reported, from £244,130 to £306,995 and the net dividend was increased from 3.22p to 3.54p.

A year-end balance sheet shows shareholders' funds up from £1.41m to £1.72m. Current liabilities of £2.18m (£1.59m) included an increase in the bank overdraft from £0.5m to £1.04m, but the chairman states that this has now been reduced to £0.58m and should be considerably lower at the end of 1980.

The activities of the company are being diversified, and it is now offering a timber preservation service, together with joinery, manufacturing and timber machining for all industries.

Meeting, Chester, July at 11 am.

Bowthorpe over sales target

Overseas sales in the first five months of this year exceeded the target set by the board of Bowthorpe Holdings, the AGM was told by the chairman.

Looking at the overall picture, the company had comfortably achieved its objectives in the first five months, although orders in the UK were slightly below board expectations, particularly in the last two months.

The chairman was confident that the first half of this year would prove to be a period of further progress, but because of the present uncertainty, he declined to make a forecast for the second half.

J. W. Wassall dips by £6,000

A £6,000 drop in pre-tax profits is reported by J. W. Wassall, multiple footwear retailer, for the year to March 31, 1980. The surplus is £71,820 against £77,753 after a rise from £28,067 to £34,115 at midyear. Tax takes £24,756 (£46,254). The final dividend is 0.48p making an unchanged total of 0.68p.

RKT well down in first six months

A slump in first half profits from £1.01m to £352,000 is reported by Robert Kitchen Taylor and Co., the textiles, knitwear and property group, but the directors reiterate that the major contribution to profits is expected in the second six months.

Stated earnings per share are well down from 17.2p to 3.7p, but the directors are declaring an interim dividend of 3p—last year a first interim of 1.5p was followed by a similar second interim and a final of 7p. Pre-tax profits at the year-end to September 30 were £1.89m (£2.17m).

The directors say the first half has seen the difficult conditions in textiles. The merchandising business is, on the whole, progressing well, while in manufacturing, the natural fibres and underwear operations will do better in the second half.

One of the companies in the man-made knitwear operations has been closed and the provision made last year has been set against the related costs. The group's investment in the U.S. has been increased in order to enlarge the scope of its operations there.

comment

The 15p fall to 12.5p suggests that the market overestimated Robert Kitchen Taylor's ability to ride out the textile sector recession in the euphoria which accompanied the sixfold year end dividend hike and hopes for the property portfolio. But the news is not all bad, since the seasonality of last year's profits was upset by a couple of major merchandising deals in the early months. This time the second half should see the larger contribution, as customers re-stock. Property made a small loss net of financing costs in the half, which a couple of points off lending rates should turn round. Gearing is containable at around 50 per cent and Damart is a useful special situation, so RKT is placed to do at least as well as its peers in a difficult year. At 12 per cent the yield is around textile sector average, though there may be a few second thoughts when the company reveals an overdue CCA picture.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

| TODAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|---|
| Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. | Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. | Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. | Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. | Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. | Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee. |

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Interim—S. and W. Barisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clay, Arthur Lee.

Ernest Jones advances

IN the six months to March 29, 1980, pre-tax profits of Ernest Jones (Jewellers) increased from £2.07m to £1.91m. Turnover, including VAT, was £5.67m compared with £4.58m, and, excluding VAT, £4.98m against £4.14m.

After tax up from £554,000 to £631,000, stated earnings per 10p share are 5.8p (5.1p), and the interim dividend is effectively raised from 1.25p to 1.4p—last year's total was an adjusted 3.75p.

The company says that since the end of the first half, new branches have been opened at Milton Keynes, Harlow and Peterborough. In the context of the general economic climate, initial trading in these locations is particularly encouraging, though the contraction of consumer spending is making short-term predictions difficult.

However, a policy of selective expansion is being maintained and is indicative of the Board's confidence in the group's long-term prospects.

Over £1m for Ariel Industries

A RISE from £484,349 to £608,259 in the second half helped lift taxable profits of Ariel Industries to a record £1.03m for the year to March 31, 1980, compared with £812,949 previously.

Turnover of the industrial fasteners and light engineering products group increased by £1.78m to £5.51m.

A net final dividend of 1.622p raises the total to 2.704p (2.384p) as forecast midway.

Tax took £2,991, against £68,720, and retained profits climbed from £501,189 to £862,228.

“Jardines - Significant growth”

Extracts from the 1979 Statement to Stockholders by Mr D.K. Newbigging, Chairman and Senior Managing Director, Jardine, Matheson & Co., Ltd. The Annual General Meeting was held on 18th June, 1980.

Jardines' consolidated net earnings for the year ended 31st December, 1979, after tax and minority interests, but before extraordinary items, were HK\$403.2 million, 20% more than the 1978 earnings of HK\$335.9 million. Earnings per stock unit of HK\$1.86 were 17.0% above the HK\$1.59 achieved in the previous year.

Extraordinary items amounted to a further net surplus of HK\$37.2 million, compared with HK\$9.5 million in 1978.

A final dividend equivalent to HK\$0.60 makes a total of HK\$0.82 for the year, representing an increase of 15.5% over the 1978 total of HK\$0.71 per stock unit. In addition, a free scrip issue of 3 stock units for every 20 held is recommended.

Disposal of certain assets and investments

During 1979, Jardines took several significant steps towards improving the underlying basis of its recurrent earnings by disposing of a number of loss-making or low-yielding assets and investments. The most important of these disposals was the sale of Toft Bros. Industries Ltd, an Australian subsidiary manufacturing sugar harvesting equipment. Reunion Properties Company Ltd, a subsidiary in the United Kingdom, was also sold for cash at net asset value.

These disposals, coupled with continued emphasis on cash generation and conservation in our operations, resulted in strong short-term cash resources at the year-end.

| | 1979 | 1978 |
|-------------------|---------|---------|
| HK\$ m | HK\$ m | HK\$ m |
| Turnover | 5,723.0 | 5,175.0 |
| Profit before tax | 608.1 | 509.1 |
| Tax | (123.1) | (124.5) |
| Profit after tax | 485.0 | 384.6 |
| Minorities | (81.8) | (|

BY KENNETH MARSTON, MINING EDITOR

[illegible]

INTL. COMPANIES & FINANCE

CHANGED CLIMATE AT SEMPERIT

Austrian tyre group cuts losses

BY PAUL LENDVAY IN VIENNA

SEMPERIT, the Austrian tyre and rubber group, has made a substantial advance in cutting losses and putting the company on a self-supporting basis. This is the gist of the first annual report issued since Dr. Franz Leibenzon took over as chairman of the Board and director general in May, 1979 after the end of co-operation with Kiebel-Colombes, which is effectively controlled by the Michelin tyre group of France. The two companies had a joint venture through a Swiss holding company, Semkler.

Turnover last year rose by 13 per cent to Sch 8.3bn (\$853.73m) and the share of exports also increased from 54.7 per cent to 58.3 per cent

of the group turnover. Even more important, however, the sharp decline in losses from Sch 600m (\$47.6m) in 1978 to Sch 296m last year and that the outflow of cash was reduced from Sch 320m to Sch 9m.

The management now takes a cautiously optimistic view of the future. The increase of the capital by Sch 570m, through a rights issue, indicates the growing confidence of the Creditanstalt Bankverein, the majority shareholder, in the new management's ability to carry out a complete redeployment of production and establish new marketing priorities.

As a first step a Sch 285m rights issue at 100 per cent will increase Semperit's capital to

Sch 1.43bn. The new shares taken up by the Creditanstalt will be offered to shareholders on a one-for-four basis and on a one-for-20 basis to debenture holders.

Dr. Heinrich Treichl, director-general of Creditanstalt and chairman of Semperit's supervisory Board, spoke of "a changed climate."

Despite a steady rise in costs, rationalisation has helped to absorb the costs which could not be passed to customers in form of higher prices. A major breakthrough has been achieved in sales to Japanese motor and car producers.

Sales of car tyres to Japan rose from 17,000 in 1978 to

413,000 last year and are expected to reach some 600,000 this year. In all, turnover in the tyre sector was up by 13 per cent last year to Sch 4.95bn.

Sales during the first five months of 1980 were 11 per cent up on the same period last year with turnover in tyres rising by 18 per cent. Operating revenues have also been much better.

The Board still expects a book loss for 1980, but sees a positive cashflow. Investments this year will be primarily devoted to the introduction of new high-speed tyres as well as to the further build-up of lorry tyre capacities. In addition, production of tubes, medical gloves and other products will also be modernised.

Norwegian bank shows lower profit

By Fay Gjester in Oslo

DEN NORSKE Creditbank (DnCB), Norway's largest commercial bank, reports slightly lower profits for the January-April period this year.

Another leading bank, Bergen Bank, also reports a decline in profits. The figures for January-April last year were Nkr 100m and 182 per cent. Deposits rose by 11 per cent in the year to the end of April, while high-interest savings showed the most marked growth.

Net interest earnings fell slightly to Nkr 168m (\$34.62m) from Nkr 169m. The bank has been hit by the strict curbs on lending, which restricted its earnings on advances, but it foresees an improvement later this year, partly as a result of increased charges for bank services.

Assets at the end of April totalled Nkr 17.7bn, compared with Nkr 17.4bn at end of December, and Nkr 15.8bn at the end of April last year.

Bergen Bank's operating profits in the four-month period reached Nkr 75m against Nkr 66m in 1979. Net interest earnings were Nkr 104m (Nkr 102m) and total assets at the end of April were Nkr 14.4bn—Nkr 2bn up on the year earlier.

But continued improvement in commissions and in profits on foreign exchange and bullion trading enabled the bank to report a profit after tax of DM 64m (\$36.2m) only DM 6m down on the result for the previous year.

The overall balance-sheet of the bank grew by one-fifth to DM 19.4bn (\$10.97bn) and the pressure on spreads dictated the way in which this growth was distributed. Interbank assets (arising from money market operations) grew disproportionately, with their total rising by DM 1.7bn to a total

Good start to year at Stinnes

BY JONATHAN CARR IN BONN

STINNES, the West German trading and transport concern which is a key subsidiary of the Veba group, raised turnover sharply in the first four months and expects another profitable year.

The company says that turnover rose by one third against the first four months of 1979 to DM 4.37bn (\$2.47bn). While some slackening of demand was expected later this year, there were so far few signs of it.

This buoyant business follows what Stinnes describes as its most successful year since the war with group profit of

DM 152.2m (\$86.11m) up by 14.3 per cent against 1978. Some DM 25.2m of the profit is being paid to the Veba parent.

Group turnover rose in 1979 by more than 10 per cent to DM 12.1bn—based on an increase of 2.5 per cent to DM 9.68bn at home and 52.3 per cent to DM 2.5bn abroad. The achievement is the more striking as Stinnes shed two of its divisions through the 1978 deal between Veba and Deutsche BP, thereby "losing" about DM 3bn in turnover.

● Michelin Reifenwerke, the

West German unit of the French Michelin tyre group, expects higher costs to reduce 1980 earnings from the DM 43m (\$24.33m) of 1979. AP-DJ reports from Karlsruhe. Last year earnings dropped 32 per cent from DM 63.2m in 1978, the company reported. The drop was attributed to higher costs of raw materials and labour as well as higher interest paid.

The Michelin subsidiary also reported that its 1979 sales rose by nearly 11 per cent to DM 1.75bn (\$990.10m), which represented an increase in tyre sales of volume of 7.9 per cent.

Krupp Stahl lifts sales by 20%

BY OUR FINANCIAL STAFF

THE STEELMAKING arm of the Krupp group of companies, Krupp Stahl, formerly Fried. Krupp Huettenwerke, lifted sales 20 per cent in the first five months of this year to an average of DM 527m (\$298.25m) per month, Dr. Wilhelm Scheider, managing Board chairman, said at the annual meeting of shareholders in Bochum.

The specialty steels division once again produced pleasing results. In 1979, this division accounted for 48 per cent of Krupp Stahl's turnover of DM 5.28bn (\$2,999bn).

However, Dr. Scheider said that ordinary steel products were still causing losses in the first five months but generally improving, if mixed, results were reported from the steel

processing operations.

Krupp Stahl was still operating at a profit and despite problems such as rising costs there were no grounds for pessimism.

Dr. Scheider noted that the group's rationalised structure offered some protection against developments on the steel market.

He declined to forecast 1980 results but said that in the second half a weakening in demand may spread from the motor industry to other steel markets, particularly because of the running down of stocks.

The group reported a 1979 net profit of DM 10m (\$5.66m) compared with a DM 66m loss on DM 4.44bn of sales in 1978.

All sectors showed a turnover rise in the January-May period this year but the chairman noted that about half of the improvement was attributable to new acquisitions.

The average raw steel output in January-May reached 466,000 tonnes a month, about 3.2 per cent higher than last year's average, Dr. Scheider said.

Rolled steel sales rose 10 per cent in value terms but barely changed in volume. Steel sales in EEC neighbour countries were well up, while non-EEC demand fell sharply and domestic demand rose slightly.

Competition on the home market was growing, leaving little room to pass on cost increases, he added.

Tight margins hit Dresdner unit

BY NICHOLAS COLCHESTER

THE SQUEEZE on spreads and interest differentials in the currency market depressed the earnings of Compagnie Luxembourgeoise de la Banque (CLDB), the Eurobanking offshoot of the big German bank, in the year to March 31, 1980.

But continued improvement in commissions and in profits on foreign exchange and bullion trading enabled the bank to report a profit after tax of DM 64m (\$36.2m) only DM 6m down on the result for the previous year.

The overall balance-sheet of the bank grew by one-fifth to DM 19.4bn (\$10.97bn) and the pressure on spreads dictated the way in which this growth was distributed. Interbank assets (arising from money market operations) grew disproportionately, with their total rising by DM 1.7bn to a total

of DM 7.4bn. At the same time loans to customers, including loans to other banks, grew by only DM 750m to DM 7.2bn.

Herr Volker Burghagen, the bank's managing director, explained that the management had held back on medium- and long-term business last year and had shifted the geographic distribution of the bank's credit risk further towards Western Europe.

On the funding side of the bank's balance-sheet Herr Burghagen drew particular attention to non-bank deposits. Deposits from customers tend to be more secure and profitable than inter-bank deposits.

The volume of such deposits lodged with CLDB increased from DM 2.7bn to DM 3.5bn over the last business year. They thus made up 20 per cent of total liabilities—a proportion which Herr Burghagen says

compares with around 5 per cent for rival Eurobank banks in Luxembourg.

Herr Burghagen reported no noticeable improvement in interest differentials since the end of March. But there was, he said, a "silver lining" in the shape of the securities markets. CLDB managed to avoid losses in last year's testing international bond market by sharply reducing its bond holdings in early 1979.

Over the last two months it reversed this stance with a "strong build-up" of bond holdings to a current total of DM 2bn equivalent. As this coincided with a sharp improvement in both the DM and the dollar bond markets, Herr Burghagen hopes that it will stand CLDB in good stead.

CLDB paid an unchanged dividend of DM 27m to its Frankfurt parent.

Rorento share value up by 6.2%

AMSTERDAM—Rorento, the Dutch investment fund specialising in fixed-interest securities, said the net value per share of the fund increased by 6.2 per cent to Fl 111 in the quarter ended May 31, compared with Fl 104.50 the previous quarter, ended February 29, AP-DJ reports.

Total net assets at the end of the May 31 quarter amounted to Fl 2.26bn (\$1.17bn) compared with Fl 2.19bn at the end of fiscal 1979-80. Outstanding shares totalled 20,347,990 compared with 20,970,890.

Rorento credited the rise in the net value per share to the decline in interest rates in its major investment countries, the appreciation of the sterling exchange rate to Fl 4.57 from Fl 4.45, and to interest received.

On balance, the Fund said, the average life to maturity of the portfolio increased to 6.1 years on May 31 from 5.6 years on February 29.

Cii Honeywell payout

PARIS—Cii-Honeywell Bull, the Franco-American data-processing company in which Honeywell Information Systems of the U.S. has a 47 per cent interest, is to pay a net interim dividend of FF 3.90 (95 cents) per share on increased capital for its 1980 financial year compared with FF 3.72 previously. AP-DJ

Multibanco Comermex, S.A.

U.S. \$25,000,000
Floating Rate Notes
due 1984

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 9 1/8 per cent per annum. The Coupon Amounts will be U.S.\$49.24 for the U.S.\$1,000 denomination and U.S.\$2,462.24 for the U.S.\$50,000 denomination and will be payable on 19th December, 1980 against surrender of Coupon No. 2.

19th June, 1980
Manufacturers
Hanover Limited
Agent Bank

Oil exporters' foreign assets at \$236bn

BY NICHOLAS COLCHESTER

IDENTIFIED FOREIGN assets of the oil-exporting countries stood at \$236bn at the end of 1979 of which some \$115bn were held with banks, according to a detailed analysis of the surplus of oil exporting countries in the latest edition of the Bank of England Quarterly Bulletin.

The study provides an interesting insight into the breakdown of this formidable accumulation of oil wealth and how it has developed since 1973. Eighty per cent of the surplus is invested in industrial countries. Some 24 per cent, \$56.9bn, is currently invested in the UK, of which \$45.7bn consists of foreign currency deposits with UK banks. Deposits in sterling account for \$4.1bn and invest-

ments in UK Government bonds and Treasury bills \$2.1bn.

The U.S. share of the cumulative oil wealth is only marginally less than that of the UK at \$55.4bn and this is much more evenly spread between portfolio investments, bank deposits and holdings of U.S. Government debt. At the end of 1979 about 17 per cent of the total (\$51bn) were identified in France, West Germany, Japan, the Netherlands, Belgium, Italy and Canada. Of these 80 per cent were in the form of bank deposits.

Some 77 per cent of the amount held in bank deposits was in the Euromarkets at the end of 1979—that is—in bank deposits denominated in cur-

rencies other than those of the countries in which the banks are located.

The UK accounted for just over half of these euro-deposits. The U.S. dollar accounted for 68 per cent of all bank deposits with 20 per cent being in U.S. dollars, Swiss francs and Japanese yen. As for the currency composition of all identified assets of the oil exporters the proportion accounted for by U.S. dollars has held stable at around three quarters since 1974. The proportion denominated in the pound sterling has fallen from 10 per cent in 1974 to around five per cent today—although this figure has shown a strong recovery in recent months.

BNP forecasts further rise in annual earnings

PARIS—Banque Nationale de Paris (BNP), one of the "big three" French nationalised banks believes its earnings will show a further improvement in 1980, despite a number of negative factors.

The BNP group in April reported a net consolidated profit of FF 584m (\$141.5m) for 1979, an increase of 10.6 per cent on the 1978 total of FF 528m. Excluding minority interests, net income for the group came to FF 556m, up 11.2 per cent from the 1978 result of FF 500m. Foreign

operations contributed 40 per cent of BNP's earnings last year.

M. Jacques Calvet, the BNP president, said the bank expects its deposit inflow to be affected this year by the moderation of disposable incomes and above all, by competition from the bond market, where yields are proving attractive.

M. Calvet said the Government's credit curbs would entail a decline in the volume of credits extended by BNP this year compared with 1979. AP-DJ

Denmark plans 20-year bond

COPENHAGEN—The Danish Government will begin floating 20-year domestic bonds with a 12 per cent coupon before the end of 1980, a Finance Ministry official said. The bonds, to be priced on the first day of trading, will be issued on tap, Reuters reports.

The record maturities and coupon compare with the current maximum term for Government bonds of 12 years at 10 per cent interest.

The official said the longer life bonds would be issued to cover the Government's budget deficit and soak up liquidity.



Cie. de Saint-Gobain-Pont-A-Mousson

has acquired an interest of approximately 20% in

olivetti

Ing. C. Olivetti & C., S.p.A.

The undersigned initiated this transaction and acted as advisor to both parties, acting as regards Olivetti in cooperation with Euromobiliare, S.p.A.

Lehman Brothers Kuhn Loeb

Incorporated

NEW YORK • ATLANTA • BOSTON • CHICAGO • DALLAS
HOUSTON • LOS ANGELES • SAN FRANCISCO • LONDON • TOKYO

June 9, 1980

All of these Securities have been sold. This announcement appears as a matter of record only.

\$50,000,000
(Canadian)

General Motors Acceptance Corporation of Canada, Limited

12% Notes Due June 15, 1985

Payment of principal and interest unconditionally guaranteed by

General Motors Acceptance Corporation

| | | |
|--|---|---|
| DEUTSCHE BANK AG (Germany) | MORGAN STANLEY INTERNATIONAL | DOMINION SECURITIES LIMITED |
| SOCIETE GENERALE Paris | | SOCIETE GENERALE DE BANQUE S.A. |
| SWISS BANK CORPORATION (OVERSEAS) Limited | | WOOD GUNDT LIMITED |
| ALGEMENE BANK NEDERLAND N.V. Amsterdam | A.E. ANES & CO. Amsterdam | AMSTERDAM-ROTTERDAM BANK N.V. Amsterdam |
| B.S.I. UNDERWRITERS London | BANCA COMMERCIALE ITALIANA Milan | BANCA DEL GOTTARDO Milan |
| BANK OF AMERICA INTERNATIONAL New York | THE BANK OF BERLUD London | BANK GUTZWILLER, KURT, BUNGENER (OVERSEAS) Basel |
| BANK JULIUS BAER INTERNATIONAL Basel | BANKERS TRUST INTERNATIONAL New York | BANQUE BRUXELLES LAMBERT S.A. Brussels |
| BANQUE FRANCAISE DU COMMERCE EXTERIEUR Paris | BANQUE GENERALE DU LUXEMBOURG S.A. Luxembourg | BANQUE NATIONALE DE PARIS Paris |
| BANQUE DE L'INDOCHINE ET DE SUEZ Paris | BANQUE LOUIS-DREYFUS Paris | BANQUE DE PARIS ET DES PAYS-BAS Paris |
| BANQUE DE NEUFILZE, SCHLUMBERGER, WALLEY Paris | BANQUE WORMS Paris | BARING BROTHERS & CO. London |
| BANQUE PRIVEE DE GESTION FINANCIERE "R.P.G.F." Paris | BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK Munich | BAYERISCHE LANDESBANK GROSZENTRALE Munich |
| BAYERISCHE LANDESBANK GROSZENTRALE Munich | BERLINER HANDELS- UND FRANKFURTER BANK Berlin | BURNS FRY CAZENOVE & CO. London |
| BERLINER HANDELS- UND FRANKFURTER BANK Berlin | BURNS FRY CAZENOVE & CO. London | CHASE MANHATTAN New York |
| CHRISTIANA BANK OG KREDITKASSE Copenhagen | CIBC LIMITED Toronto | CONTINENTAL ILLINOIS Chicago |
| CREDIT COMMERCIAL DE FRANCE Paris | CREDIT INDUSTRIEL ET COMMERCIAL Paris | CREDIT LYONNAIS Lyon |
| CREDIT SUISSE FIRST BOSTON Zurich | CREDITANSTALT-BANKVEREIN Vienna | DAI-ICHI KANGYO BANK NEDERLAND N.V. Amsterdam |
| DAI-ICHI KANGYO BANK NEDERLAND N.V. Amsterdam | DEN DANSKE BANK Copenhagen | DEN NORSKE CREDITBANK Oslo |
| DREXEL BURNHAM LAMBERT Philadelphia | EUROMOBILIARE S.p.A. Milan | EUROPEAN BANKING COMPANY London |
| GROSZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN Vienna | GOLDMAN SACHS INTERNATIONAL CORP. New York | GREENSHIELDS London |
| HAMBROS BANK London | HILL SAMUEL & CO. London | IBI INTERNATIONAL London |
| KANSALLIS-OSAKE-PANKKI Helsinki | KIDDER, PEABODY INTERNATIONAL New York | KLEINWORT, BENSON London |
| KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.) Kuwait | KUWAIT INVESTMENT COMPANY (S.A.K.) Kuwait | LTCB INTERNATIONAL London |
| MANUFACTURERS HANOVER London | MALCOLM YOUNG WEIR INTERNATIONAL London | MITSUBISHI BANK (EUROPE) S.A. London |
| SAMUEL MONTAGU & CO. London | MORGAN GRENFELL & CO. London | NESBITT, THOMSON London |
| THE NIKKO SECURITIES CO. (EUROPE) LTD. London | NOMURA EUROPE N.V. Amsterdam | SAL OPPENHEIM JR. & CIE. ORION BANK London |
| PITFIELD MACKAY ROSS PRIVATE BANKERS London | RICHARDSON SECURITIES OF CANADA (U.K.) LTD. London | ROTHSCHILD BANK AG Frankfurt |
| N.M. ROTHSCCHILD & SONS London | THE ROYAL BANK OF CANADA (LONDON) London | SALOMON BROTHERS INTERNATIONAL London |
| SCANDINAVIAN BANK London | J. HENRY SCHROEDER WAGG & CO. London | SKANDINAVISKA ENSKILDA BANKEN Stockholm |
| SVENSKA HANDELSBANKEN Stockholm | VEREINS- UND WESTBANK Frankfurt | J. FONTOBEL & CO. London |
| WARDLEY London | WESTDEUTSCHE LANDESBANK Düsseldorf | GROSZENTRALE Düsseldorf |
| | | YAMAICHI INTERNATIONAL (EUROPE) London |

June 5, 1980



(Sociedade Portuguesa de Navios Tanques Limitada)

U.S. \$15,000,000
10 year Tanker Financing

arranged and provided by:

MARINE MIDLAND BANK, N.A.
London BranchBANCO TOTTA & ACORES
London BranchAgent Bank:
Marine Midland Bank, N.A.

Bankers value UIC above bid price

By George Lee in Singapore

MORGAN GRENFELL ASIA, the merchant bank, has advised shareholders of United Industrial Corporation (UIC) to reject the offer of \$85.50 per share for their shares by the local investment holding and trading company, Tang Eng Pte.

The bank, which is advising UIC in its current takeover saga, has reassessed the value of the shares at about \$98.95 each, to give a total value of some \$812.3m (US\$556m).

The merchant bank earlier this year valued UIC shares at between \$85.58 and \$87.15, based primarily on a valuation of \$86.5m for parts of UIC Building still owned by the group.

However, Jones Lang Wootton, an independent valuer, earlier this month revealed the same parts of UIC Building, which is a prime commercial building located in Singapore's main financial district, at some 38 per cent higher, or \$811.7m.

The main factors which prompted the revaluation were the lack of available office space for immediate occupation, willingness of developers of new office projects to pay two to three times above land prices prevailing at the end of 1979, and the substantial cost increases in construction of new buildings.

TOYO KOGYO

Exports lead strong earnings gain

BY YOKO SHIBATA IN TOKYO

TOYO KOGYO, Japan's fourth largest motor vehicle maker, reported strong export-led earnings for the first half ended April of the fiscal year. In the full year ending October, the company expects sales of ¥1 trillion (\$4.5bn) for the first time.

Toyo Kogyo said it hopes to increase its dividend payment for the year to about ¥5 per share from ¥4.50 paid last year. Sales in South East Asia and Australia will be particularly strong through sales networks of Ford Motor following its 25 per cent capital participation in Toyo Kogyo.

Toyo Kogyo's operating profits jumped 60.1 per cent to a record ¥20.4bn, and net profits rose 56.4 per cent to ¥10.1bn in the

first half from a year earlier. Per share profits were 14.70 against ¥12.54.

Sales rose to ¥492.5bn, up 24.3 per cent. The company sold 575,943 vehicles, up 21.3 per cent.

Of total sales, passenger cars accounted for 369,989 units, up 19 per cent, and commercial vehicles 206,554 units, up 25 per cent. Vehicle exports totalled 371,104 vehicles, up 29.1 per cent, of which passenger cars accounted for 259,204 units, up 21.3 per cent and commercial vehicles 111,900 units, up 49.7 per cent.

Exports by value rose 37.8 per cent to ¥280.2bn or 53 per cent of total turnover.

North America accounted for 37.4 per cent of exports, Europe 25.2 per cent and South East Asia 11.8 per cent.

The year's depreciation did not immediately affect export profitability but is expected to have a full effect in the second half of the fiscal year.

The company's business position improved with a reduction of ¥117.7bn in debt during the six months to ¥214.5bn. Over the second half of the fiscal year Toyo Kogyo plans to maintain the annual sales to 1.19m vehicles.

Costs, including materials and services are forecast to increase by ¥10bn. However, these are expected to be covered by the year's depreciation and strong sales of new models.

The company has also begun to supply manual transaxles for front-wheel drive cars to Ford from this spring, following delivery of the first units in the second half.

As a result, the company's operating profits for the second half are expected to reach ¥11.5bn on sales of ¥580bn. The company's earnings per share capital spending is the current fiscal year—45 per cent of it on new car development and 50 per cent on rationalisation and capacity expansion.

Toyo Kogyo will start construction of a ¥45bn factory in North America at the end of this year to increase its production capacity 20 per cent by 1982.

Kanhym to control Karoo ME

BY JIM JONES IN JOHANNESBURG

KANHYM, the 52 per cent owned red meat and coal subsidiary of General Mining, is converting itself into one of South Africa's largest meat traders in a series of deals which will give it control of its competitor Karoo Meat Exchange.

The mechanics of the deal are that Karoo will first acquire the meat trading interests of its current parent, Asokur, in exchange for 3.15m of its own shares. Then in exchange for a further 7.98m shares it is

acquiring Kanhym's meat trading operations. These moves will result in an increase in Karoo's issued capital from a current 12.3m shares to 23.4m shares.

Once this is completed, Kanhym is to buy a further 4m Karoo shares from Asokur for cash at a price of about R2 per share. This will increase its stake in Karoo to a controlling 51 per cent. To fund this purchase and future coalmine developments in conjunction with British Petroleum,

Kanhym plans to raise R22.2m (\$23.7m) through a one-for-two rights issue, pitched at R7 a share.

The main attraction to Kanhym is that the deal provides a major expansion of its meat trading operations. At present, distribution of red meat from the company's feed lots is confined to the Transvaal and Natal. With Karoo's distribution network at Kanhym's disposal, coverage will be nationwide.

On the other side of the coin, Karoo will buy a greater proportion of its raw meat supplies from Kanhym, protecting it against a nationwide red meat shortage which is expected to develop later this year.

Compared with earnings per share of 64.3 cents in the year ended September 30, Kanhym projects per share earnings at a rate of 87.5 cents per annum on its increased capital during the 15-month accounting period to December 31, 1980, compared with 64.3 cents in the year to last September 30. Of this, about 4 cents is expected to be attributable to the newly acquired interest in Karoo.

Mr. Philip Seales, chairman, warned that earnings were set for a downturn with the level of construction contracts completed ruling out improved profits. Although construction activity is rising, Mr. Seales warns that it will be a considerable time before this will be reflected in Otis' profits.

An unchanged interim dividend of 20 cents has been declared from first-half earnings per share of 13.1 cents against 12.7 cents a year earlier. In fiscal 1979, Otis declared a total dividend of 40 cents from earnings per share of 27.8 cents.

Flat income for Otis Elevator SA

By Our Johannesburg Correspondent

OTIS ELEVATOR, the South African lift manufacturer which is 50 per cent owned by United Technologies, of the U.S., has reported virtually unchanged earnings for the six months to May 31. First-half pre-tax profits rose to R3.91m (\$5.1m) compared with R3.8m a year earlier. After-tax income was R2.22m against R2.16m.

Mr. Philip Seales, chairman, warned that earnings were set for a downturn with the level of construction contracts completed ruling out improved profits. Although construction activity is rising, Mr. Seales warns that it will be a considerable time before this will be reflected in Otis' profits.

An unchanged interim dividend of 20 cents has been declared from first-half earnings per share of 13.1 cents against 12.7 cents a year earlier. In fiscal 1979, Otis declared a total dividend of 40 cents from earnings per share of 27.8 cents.

Bridgestone Singapore to close tyre factory

BY OUR SINGAPORE CORRESPONDENT

SINGAPORE'S only tyre manufacturer, Bridgestone Singapore Private Limited, is ceasing operations.

The company, which is a joint venture between Bridgestone of Japan and Pan Malaysia Rubber Industries, manufactures motor tyres, tubes and braided hoses at its plant in Singapore.

The company's announcement gave no explanation for the decision to shut down in August.

However, it is apparent that the Singapore Government's recent lifting of tariff protection for locally-made tyres has

influenced the company's decision.

This together with the Government's aim to restrict the growth of cars has already prompted local car assemblers to cease operations.

Ford Motor Company has closed its assembly operations while Cycle and Carriage, which assembles Mercedes-Benz cars, is shutting down its plant.

The company has been complaining of declining profits over the past few years. Pre-tax profit was \$52.9m (US\$1.4m) in 1979 compared with \$5.36m in 1978.

Ownership rules force Malaysian share issues

BY WONG SULONG IN KUALA LUMPUR

TWO COMPANIES quoted on the Kuala Lumpur Stock Exchange—Malaysian Plantations Berhad and Cold Storage Holdings—have announced plans for special issues of shares to the Bumiputras (indigenous Malays) to conform with Malaysia's New Economic Policy.

Malaysian Plantations will offer 9.2m shares of one ringgit at a price of 1.6 ringgit (\$0.75) each. The new shares together with shares already held by Bumiputras, will bring the Bumiputra ownership to 16.8 per cent of the enlarged capital of 60m shares.

Cold Storage Holdings, will issue 8.75m shares amounting to 35 per cent of the equity of Bumiputras are always priced well below market prices. Dr. Mahathir said Malay financial institutions will buy up future or 25 per cent would be for Bumiputras. The 1 ringgit par value shares are to be sold at

1.6 ringgit. After the issue, an application will be made for CSM shares to be quoted on the Kuala Lumpur exchange.

Meanwhile, the Malaysian authorities have said that special share issues to Bumiputras would not be allocated to Malay individuals, because of rampant abuse.

Dr. Mahathir, the deputy prime minister, said that in the past, many Malays had resold their shares on the market to make quick profits, thus defeating the Government's policy of encouraging Malays to have a larger ownership of the corporate sector. Special issues to Bumiputras are always priced well below market prices. Dr. Mahathir said Malay financial institutions will buy up future or 25 per cent would be for Bumiputras. The 1 ringgit par value shares are to be sold at

unit trusts set up for them.

Banco de Bilbao. The Spanish bank with the greatest international experience. Results for 1979.

| | 1978 | 1979 | Increase | % |
|---|-----------|-----------|-----------|-------|
| Capital & Reserves, after distribution of profits (Million Pesetas) | 42,262.1 | 52,723.9 | 10,461.8 | 24.75 |
| Deposits (Million Pesetas) | 639,087.8 | 774,745.1 | 135,657.3 | 21.23 |
| Loans (Million Pesetas) | 420,854.0 | 499,275.4 | 78,421.4 | 18.63 |
| Investments Portfolio (Million Pesetas) | 95,172.5 | 99,742.4 | 4,569.9 | 4.80 |
| Net Profit (Million Pesetas) | 5,802.4 | 6,050.0 | 247.6 | 4.27 |
| Profit Available for Distribution (Million Pesetas) | 4,227.4 | 4,588.0 | 360.6 | 8.53 |
| Net Dividend per Share (Pesetas) (Maximum permitted by law) | 52.9 | 57.1 | 4.2 | 7.94 |
| Number of Branches | 1,039 | 1,125 | — | — |

PRINCIPAL LONDON BRANCH
100 Cannon Street, LONDON EC4N 6EH
Tel: 01-623 30-60-01-621 03 66
Telex: 2811693 BB LON G - 8952303 BB LON G
885451 BB FX G - 886452 BB FX G
8951255 BB FX G - 8952301 BB IF G

GENERAL MANAGEMENT INTERNATIONAL
Alcala, 16 - Madrid-14 - Spain
Tel: +34 91 26 07 - 232 00 00
Telex: 22002 BB SEX-E

OTHER BRANCHES:
London "Covent Garden",
London "Spitalfields",
London "Leicester Square",
London "Knightsbridge",
London "New Covent Gardens"

PRINCIPAL PARIS BRANCH
29, avenue de l'Opéra

NEW YORK BRANCH
General Motors Building, Suite 615
767 Fifth Avenue

Branches in England: 6, France: 12, U.S.A.: 2, Grand Cayman: 1
and representative offices in Milan, Frankfurt/Main,
Mexico and Caracas.



BANCO DE BILBAO

SPARBANKERNAS BANK

U.S. \$20,000,000

NEGOTIABLE FLOATING RATE
CERTIFICATES OF DEPOSIT
DUE 1983

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from June 19, 1980 to December 19, 1980 the Certificates will carry an interest rate of 9 3/4% per annum.

Agent:
FIRST CHICAGO
LIMITED



Weekly net asset value
on June 16, 1980

Tokyo Pacific Holdings N.V.
U.S. \$85.22

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$62.08

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam

VONTOBEL EUROBOND INDICES

145.76=100%

| PRICE INDEX | 17.6.80 | 10.6.80 | AVERAGE YIELD | 17.6.80 | 10.6.80 |
|-------------------|---------|---------|-------------------|---------|---------|
| DM Bonds | 98.13 | 95.82 | DM Bonds | 8.344 | 8.389 |
| HFL Bonds & Notes | 93.51 | 93.64 | HFL Bonds & Notes | 8.735 | 8.895 |
| U.S. \$-Bonds | 92.08 | 90.22 | U.S. \$-Bonds | 10.517 | 10.882 |
| Can. Dollar Bonds | 92.32 | 91.34 | Can. Dollar Bonds | 11.242 | 11.498 |

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities.

\$300,000,000

Citicorp Overseas Finance Corporation Limited

(Incorporated with limited liability in the British Virgin Islands)

10% GUARANTEED NOTES DUE JULY 1, 1986

Payment of principal and interest unconditionally guaranteed by



The following have agreed to subscribe for the Notes—

MORGAN STANLEY INTERNATIONAL

ALGEMENE BANK NEDERLAND N.V.

BANQUE DE PARIS ET DES PAYS-BAS

CREDIT SUISSE FIRST BOSTON

GOLDMAN SACHS INTERNATIONAL CORP.

MORGAN GRENFELL & CO.

SALOMON BROTHERS INTERNATIONAL

BANQUE NATIONALE DE PARIS

CITICORP INTERNATIONAL BANK

DEUTSCHE BANK

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.

NOMURA EUROPE N.V.

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

The Notes, in the denomination of \$1,000 each issued at 100 per cent, have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary Global Note. Interest is payable annually in arrears on 1st July, commencing on 1st July, 1981.

Particulars relating to the Notes are available in the Retail Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 3rd July, 1980 from the brokers to the issue—

Cazenove & Co.,
12, Tokenhouse Yard,
London
EC2R 7AN.

19th June, 1980

مكتبة النور

CURRENCIES, MONEY and GOLD

£ & \$ easier

Sterling and the U.S. dollar both lost ground in currency markets yesterday in generally featureless trading. Most currencies traded within narrow bands, with little to stimulate much movement in the market. Sterling's trade weighted index slipped to 73.4 from 73.5, having stood at 73.4 at noon and 73.5 in the morning. Against the dollar it opened at 2.3310-2.3320 and rose to 2.3325-2.3335 before slipping back after lunch on small selling to 2.3320-2.3330. How it recovered to trade around 2.3300 for most of the afternoon and closed at 2.3325-2.3335, a rise of 36 points.

The dollar was fairly steady but finished slightly lower on balance. Euro-dollar rates showed an early tendency falling by around a quarter of a point. Against the D-Mark the dollar closed at DM 1.7620 compared with DM 1.7680 on Tuesday and SWFR 1.6222 from SWFR 1.6310 on Tuesday. On Bank of England figures the U.S. dollar's trade-weighted index fell from 83.4 to 83.3.

D-MARK—Slightly weaker within the European Monetary System just recently but showing a firmer tendency against the U.S. dollar following a sharp narrowing in Euro-currency interest rate differentials. There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM 1.7636, virtually unchanged from Tuesday's fixing of DM 1.7635. Trading was generally uneventful with little in the way of fresh news to influence the market. Within the EMS the D-Mark showed little change. The

Belgian franc was quoted at DM 6.249 per BFR 100 from DM 6.244, while the French franc eased slightly to DM 42.94 from DM 42.98 per 100. Outside the EMS, sterling fell to FF 4.1110 from FF 4.1240 and the Swiss franc was lower at DM 1.0884 compared with DM 1.0885.

BELGIUM—The franc remained steady within the EMS despite easing of interest rates by Belgian authorities. The Belgian franc was generally firmer against most currencies at yesterday's fixing in Brussels, after key interest rates had been left unchanged by the National Bank.

A reduction in Treasury bill rates earlier in the week had led to speculation that the authorities would cut the Belgian discount rate. The dollar fell to BFR 28.24 from BFR 28.36 and sterling was lower at BFR 65.75 compared with BFR 66.15. The Irish punt was higher at BFR 60.14 against BFR 60.00 but the D-Mark fell to BFR 15.98 from BFR 16.017.

DUTCH GUILDER—Remaining firm within the EMS below the Irish punt and French franc. The Dutch guilder was firmer yesterday in Amsterdam, with the U.S. dollar easing to FI 1.9320 from FI 1.9420 and sterling lower at FI 4.5030 compared with FI 4.5090. The D-Mark slipped to FI 1.0653 from FI 1.0665, while the Irish punt rose from FI 4.1280 to FI 4.1160.

JAPANESE YEN—Energy and balance of payments reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover. The dollar eased slightly against the yen in Tokyo yesterday, closing at ¥215.875 compared with ¥216.75 on Tuesday. It opened at ¥215.60 and rose to a high of ¥216.10. During the afternoon trading was very subdued and the U.S. unit eased back a little.

EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rate | Currency against ECU June 18 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|----------------|------------------|------------------------------|----------------------------|----------------------------------|--------------------|
| Belgium Franc | 36.7667 | 49.2224 | +1.68 | +0.33 | -1.53 |
| French Franc | 7.2723 | 2.3325 | +1.68 | +0.33 | -1.53 |
| German D-Mark | 2.48208 | 2.3325 | +1.68 | +0.33 | -1.53 |
| Italian Lira | 2.48208 | 2.3325 | +1.68 | +0.33 | -1.53 |
| Dutch Guilder | 2.48208 | 2.3325 | +1.68 | +0.33 | -1.53 |
| Spanish Peseta | 166.637 | 118.08 | +2.62 | +2.37 | -2.08 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

| June 18 | Pound Sterling | U.S. Dollar | Deutschmark | Japanese Yen | French Franc | Swiss Franc | Dutch Guilder | Italian Lira | Canada Dollar | Belgian Franc |
|---------------------|----------------|-------------|-------------|--------------|--------------|-------------|---------------|--------------|---------------|---------------|
| Pound Sterling | 1 | 3.353 | 4.113 | 508.3 | 9.568 | 7.783 | 4.503 | 1945 | 2.681 | 65.75 |
| U.S. Dollar | 0.439 | 1 | 1.765 | 216.7 | 4.101 | 1.683 | 1.930 | 835.8 | 1.148 | 26.18 |
| Deutschmark | 0.943 | 0.567 | 1 | 128.4 | 2.398 | 0.921 | 1.095 | 473.0 | 0.668 | 15.99 |
| Japanese Yen 1,000 | 1.997 | 4.636 | 8.172 | 1000 | 19.01 | 7.526 | 8.947 | 3865 | 5.526 | 120.7 |
| French Franc 10 | 1.046 | 2.438 | 4.598 | 696.0 | 10 | 5.959 | 4.706 | 2033 | 2.802 | 66.72 |
| Swiss Franc | 0.264 | 0.616 | 1.085 | 128.9 | 2.536 | 1 | 1.189 | 513.5 | 1.088 | 17.36 |
| Dutch Guilder | 0.523 | 0.518 | 0.913 | 111.8 | 2.185 | 0.841 | 1 | 432.0 | 0.595 | 14.50 |
| Italian Lira, 1,000 | 0.514 | 1.199 | 2.114 | 258.7 | 4.918 | 1.947 | 2.215 | 1000 | 1.278 | 32.80 |
| Canadian Dollar | 0.573 | 0.570 | 1.534 | 187.7 | 3.569 | 1.415 | 1.680 | 785.7 | 1 | 24.53 |
| Belgian Franc 100 | 1.521 | 3.548 | 6.265 | 765.4 | 14.55 | 6.760 | 6.948 | 2559 | 4.077 | 90 |

prices were mixed, and Electro Audio Dynamics was the morning's best performer, rising 16 per cent. Banks, Insurance, Real Estate and Investments were mixed but other sectors eased on the day. China Light was unchanged at HK\$21.50, Hong Kong Hotels at HK\$33.50, and Sun Hung Kai

Canada
The market at noon was broadly lower in active trading.

Declines
Industrial Metals and Minerals declined at \$76.79. 16.9 to 1,875.9 and Oil and Gas 23.3 to 4,588.8.

Declines
Oils were active and marginally lower. Gulf Canada at

Tokyo
Tokyo—Share prices closed higher with fresh buying

Issues
Volume fell away considerably as overseas interest flagged.

Commodity analysts
said, but some

The Nikkei-Dow Jones Market Average rose 26.45 to close at 6,824.95 on volume of 210m. The Tokyo SE Index added 1.73 at smaller amounts.

Profit-taking took prices down from the high points reached on Monday before the national holiday on Tuesday, and after business in the Commodity Exchange closed.

res traded
been the
takeover
weeks

in the securities market.

AEG gained DM 1.50 to DM 75.60, trading actively before today's shareholders' meeting.

Oil prices in high demand

a seven-year high.

The index closed 2.12 points up at 983.24, the highest close of the year but lower than the 990.19 reached at mid-morning.

Woodside shed 12c to A\$3.06.

In Minings, BR Metals rose 14c to A\$1.46 on rumors that it was about to announce a new coal

mine near Newcastle.

corporate Bayer DM 150 to DM 127.3, but against the trend Hoechst put on 90 pennings to DM 119.

Paris

uses firmed
es. Dome
11. Wren

fell 20c to HK\$14.50, and Swire Pacific "A" held steady on HK\$7.90.

Hong Kong Electric retreated 15c to HK\$8.15 while Hong Kong

AS14.55.

Johannesburg

Gold shares held earlier gains

depressed sentiment attributed to the approaching end of the accounting period and the announcement late on Tuesday

| June 16 | June 18 | Price Fts. | + or - | June 18 | Price Fts. | + or - | June 18 | Price Fts. | + or - | June 18 | Price Fts. | + or - |
|-------------------|---------|------------|--------|-----------------|------------|--------|------------------|------------|--------|---------|------------|--------|
| Petrofina..... | 5,220 | —30 | | ANZ Group..... | 4.50 | —0.04 | Kubota..... | 356 | | | | |
| Royale Belge..... | 5,600 | | | Asrow Aust..... | 0.80 | | Kumagai..... | 571 | | | | |
| | | | | | 1.65 | | Kyoto-Ceramics.. | 3,120 | | | | |

| | | | | | | | | | | | | |
|-----|--------------------|-------|-----|---------------|-------|------|----------------|------|-------|-----------------|-----|----|
| 21g | Union Minière..... | 780 | -20 | Bos Kalia | 86.9 | +0.3 | Aust Nat Inds. | 2.72 | +0.07 | Mitsubishi | 670 | +1 |
| 03g | Veille Mont..... | 1,360 | -10 | Buehrmann-Tet | 89 | | Aust Paper | 1.90 | | Mitsubishi | 540 | |
| 77g | | | | Caland Hldgs | 22.7 | +0 | Bank NSW | 1.76 | -0.07 | Alfa Elco Works | 418 | |
| 4 | | | | Elcieviet | 93.3 | -1.9 | Blue Metal | 2.80 | | Mitsubishi Bank | 682 | -4 |
| | DENMARK | | | Ensaie | 136.8 | -1.3 | Bond Hldgs | 1.90 | +0.05 | Mitsubishi Corp | 561 | -4 |
| | | | | Ellnva | 23.50 | | Bornl | 2.55 | -0.02 | Mitsubishi Elec | 203 | +4 |

| | | | | | | | | | | | |
|-----|-----------------|--------|-------|---------------|-------|-----------------|------|-------|----------------|-------|-----|
| 114 | Baltica Skand | 890 | +1.3 | KL-Muever | 81.2 | CSR | 6.68 | -0.04 | Nippon Denso | 1,070 | -20 |
| | Burm & Wain | 46.6 | +2.5 | KLM | 61.2 | Carlton & Utd | 1.85 | | Nippon Gakko | 700 | +1 |
| 1 | Cop Handelsbank | 102.75 | | Nazarden | 14.2 | Castlemaine Tys | 3.05 | | Nippon Meat | 450 | |
| 5 | D Sukkerfab | 224.5 | -0.75 | Nat Ned Cert | 114.2 | Cluff Oil Aust. | 0.51 | -0.02 | Nippon Oil | 1,940 | +50 |
| 13 | Danske Bank | 100.75 | | Ned Cred Bank | 68.5 | Co. Opta | 0.23 | | Nippon Shippan | 640 | -10 |
| 43 | East Asiatic | 103.0 | | Ned Mid Bank | 233.9 | Deutsche | 1.25 | | | | |

| | | | | | | | | | | |
|----------------|--------|-------|--------------|-------|------|----------------|------|--------------|-------|-----|
| Now Ind. | 289.75 | +2.25 | Phillips | 18 | +0.1 | Costain | 3.00 | Nathan steel | 143 | +2 |
| Papirfabrikker | 105.00 | | Risn-Scheide | 46.6 | +0.1 | Grader Oil | 5.80 | Nomura | 407 | +1 |
| Privatbanken | 105.50 | | Robeco | 172.5 | | Dunlop | 0.74 | NYK | 283 | +1 |
| Provisbanken | 105 | | Roddmo | 109.7 | +0.1 | Elser Smith GM | 3.10 | Olympus | 880 | +16 |
| Smith (FL) | 248.5 | -0.25 | Rolleco | 158.5 | +0.5 | Endeavour Res. | 0.50 | Orient | 1,050 | +58 |
| | | | Roraborn | 111.8 | +0.1 | | | Placer | 2,000 | +50 |

[illegible][illegible]

| | | | | | | | | | | | |
|--------------|-------|------|-------------|--------|-------|----------------|------|-------|----------------|-----|-----|
| QF | 189.3 | -2.0 | Montedison | 154.25 | +5.75 | Singh (H.C.) | 1.91 | +0.02 | Victor | 750 | +50 |
| Grasot Loire | 70 | -0.6 | Orivet | 1,900 | +309 | Southland Mfg. | 0.30 | +0.05 | Wacoal | 738 | |
| CFP | 245 | -2.5 | Pirelli Co. | 2,080 | +50 | Spargo Expl. | 0.52 | | Yamaha Motor | 970 | +80 |
| DNEL | 34 | -0.1 | Pirelli SpA | 755 | +65 | Thos. Hawke | 2.39 | -0.01 | Yamazaki | 520 | -3 |
| Dumex | 745 | -1.5 | Snia Viscom | 785 | +39 | Tooth | 1.80 | | Yasuda Fire | 265 | |
| Ferodo | 352 | -1 | | 530 | +40 | Uth. Minn. | 4.70 | -0.14 | Yoko-Jawa Bds. | 641 | -5 |

[illegible]

| | | | | | | | |
|----------------|-------|------|----------------|------|--------------|-------|-------|
| Redoute | 441 | -2 | Hang Seng Bank | 119 | Time Darby | 3.28 | +0.02 |
| Rhone-Poulenc | 125.8 | -0.5 | HK Electric | 6.15 | Straits Tdng | 13.80 | +0.06 |
| Roussel-Uclaf | 251 | -1.5 | HK Kowloon Wh. | 74 | UOB | 4.22 | +0.06 |
| St-Gobain | 125.6 | -1.9 | HK Land | 12.5 | | | |
| Sixt Roasignol | 680 | -21 | HK Shanghai Bk | 15.7 | | | |
| | | | HK Telegraph | 25.4 | | | |

SWEDEN

SOUTH AFRICA

| | | | | | | | | | | | | |
|--|-------------------|-------|--------|------------------|-----|------|------------------|------|------|----------------|-------|-------|
| | June 18 | Price | + or - | Atlas Copco..... | 52 | -2 | Wheel'k Marts A | 4.5 | -0.1 | AE & C..... | 7.80 | +0.65 |
| | | Dm. | | Bofoer..... | 150 | | Wheel'k Mart's B | 3.50 | | Anglo Am. Cp. | 15.20 | +0.25 |
| | AEG-Yalef..... | 75.6 | +1.5 | Celufos..... | 220 | | JAPAN | | | Anglo Am. Gold | 97.0 | +1 |
| | Allianz Vera..... | 289 | -1 | Electrob..... | 102 | -1 | | | | Sarlow Rand | 9.75 | -0.25 |
| | BASF..... | 147 | +1 | Eriasson..... | 160 | -0.5 | | | | Buttles..... | 48 | +1.5 |
| | | | | Essato..... | 95 | | | | | CNA Insuran | 4.50 | |

| | | | | | | | | | | | |
|--------------|-------|------|----------------|------|------|----------------|-----|-----|--------------|-------|-------|
| Brown Boveri | 304 | | Skandia | 238 | | Bridgestone | 820 | 9 | Nippon Steel | 4.65 | +0.1 |
| Commerzbank | 168.1 | -0.9 | Slan Enskilda | 128 | | Canon | 698 | +11 | Huatao | 6.80 | |
| Conti Gummi | 56.3 | | SKF | 66 | | Citizen | 775 | | Kloof | 35.5 | +0.5 |
| Daiquer Benz | 369 | -1 | St.Kooparberg | 191 | | Daiel | 378 | -5 | Nedbank | 6.90 | -0.05 |
| Deutsche | 241.5 | -0.5 | Sven Handelsbn | 67 | -0.5 | DKBO | 405 | +1 | OK Bezaars | 18.60 | +0.05 |
| Dogma | 126 | | Tandabik | 88.5 | | Dal Monoon Rtn | 807 | +1 | Prozac Hlgs | 3.00 | |

| | | |
|----------------|----------|-------|
| SMM | 204.6 | -2.9 |
| Napag Lloyd | 67.5 | - |
| Koehnst | 119 | +0.8 |
| Hoesch | 21.5 | -1.8 |
| Holzmann (P) | 403 | -1 |
| Alvares | 1.170 | - |
| Filipe | 840 | +10 |
| Fujitsu Fanco | 2,740 | -8 |
| Green Cross | 1,790 | +20 |
| Hasegawa | 471 | -4 |
| Heisei Ei East | 587 | -3 |
| Tiger Oats | 15.00 | - |
| Unisco | 3.25 | -0.32 |
| Financial Rand | US\$0.21 | - |
| (Dutch Rand) | | - |

| | | | | | | | | | | | | |
|------------|-------|------|----------------|-------|------|-----------|-------|------|--------------|------|-------|--|
| Klosterker | 40.6 | -0.4 | Fischer Road | 8.00 | | No-Hard | 970 | +2.5 | Aceita | | | |
| Krupp | 62 | +0.9 | Hoff-Roche P/C | 68.00 | -750 | No-Yokado | 1,280 | -50 | Banco Brasil | 2.40 | +0.10 | |
| Linde | 307M | -3 | Hoff-Roche L/L | 6,175 | -100 | JAGGS | 460 | | Boles Min. | 4.19 | +0.10 | |
| Lufthansa | 76 | -0.5 | Interroad | 6,600 | | JAL | 2,310 | +10 | Lojas Amer. | 2.30 | +0.05 | |
| MAN | 187.5 | -0.5 | Jelmoli | 1,240 | -20 | Jalisco | 685 | -4 | | | | |
| Mannesmann | 134.5 | -1.5 | Landis & Gyr | 1,370 | -5 | | | | | | | |

[illegible]

10-10-1964

1

Indices

NEW YORK

—DOW JONES

| | 1980 | | | | | | | | | | Since Empl't'n | |
|--------------|-----------|--------|--------|--------|--------|--------|--------|--------|---------|-------|----------------|-----|
| | June 1980 | | | | | 1980 | | | | | High | |
| | 17 | 16 | 15 | 10 | 11 | 10 | High | Low | High | Low | High | Low |
| Indust'ls | 873.27 | 877.75 | 876.57 | 872.81 | 872.76 | 868.53 | 905.84 | 739.15 | 1051.70 | 41.22 | — | — |
| Auto | 78.82 | 75.64 | 74.51 | 74.15 | 75.37 | 74.31 | 24.81 | 62.37 | 117.54 | 12.75 | — | — |
| Chemicals | 277.51 | 277.62 | 277.75 | 277.10 | 279.24 | 272.92 | 15.60 | 29.51 | — | — | — | — |
| Utilities | 115.83 | 114.46 | 115.77 | 116.00 | 112.95 | 111.81 | 103.38 | 255.69 | 305.10 | 12.55 | — | — |
| Trading Vol. | 41,988 | 36,196 | 41,688 | 47,500 | 45,800 | 42,028 | — | — | — | — | — | — |
| Day's high | 887.63 | low | 872.55 | — | — | — | — | — | — | — | — | — |

STANDARD AND POORS

| | 1980 | | | | | | | | | | Since Empl't'n | |
|----------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|-------|----------------|-----|
| | June 1980 | | | | | 1980 | | | | | High | |
| | 17 | 16 | 15 | 12 | 11 | 10 | High | Low | High | Low | High | Low |
| Indust'ls | 140.48 | 139.51 | 139.17 | 139.98 | 139.82 | 139.80 | 154.47 | 111.64 | 154.94 | 2.52 | — | — |
| Composite | 116.86 | 116.93 | 115.81 | 115.52 | 116.82 | 114.85 | 118.44 | 98.22 | 128.25 | 34.63 | — | — |
| Ind. div. yield % | 5.18 | 5.28 | 5.30 | 5.34 | 5.34 | 5.34 | — | — | — | — | — | — |
| P/E Ratio | 7.75 | 7.52 | 7.77 | 7.90 | 7.90 | 7.90 | — | — | — | — | — | — |
| Long Gov. Bond Yield | 9.75 | 10.11 | 10.15 | 8.81 | 8.81 | 8.81 | — | — | — | — | — | — |

N.Y.S.E. ALL COMMON

| | 1980 | | | | | | | | | | Rises and Falls | |
|---------------|-----------|-------|-------|-------|-------|---------|------|-----|------|-----|-----------------|-----|
| | June 1980 | | | | | June 17 | | | | | June 16 | |
| | 17 | 16 | 15 | 12 | 11 | 10 | High | Low | High | Low | High | Low |
| Issues Traded | 1,927 | 1,907 | 1,920 | 1,920 | 1,920 | 1,920 | — | — | — | — | — | — |
| Rises | 840 | 800 | 1,089 | 1,089 | 1,089 | 1,089 | — | — | — | — | — | — |
| Falls | 698 | 730 | 477 | 477 | 477 | 477 | — | — | — | — | — | — |
| Unchanged | 419 | 387 | 254 | 254 | 254 | 254 | — | — | — | — | — | — |
| Now High | — | — | — | — | — | — | — | — | — | — | — | — |
| New Lows | — | — | — | — | — | — | — | — | — | — | — | — |

MONTREAL

| | 1980 | | | | | | | | | | High | |
|-------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|-------|------|-----|
| | June 1980 | | | | | 1980 | | | | | High | |
| | 17 | 16 | 15 | 12 | 11 | 10 | High | Low | High | Low | High | Low |
| Industrial | 874.33 | 872.00 | 873.45 | 873.59 | 873.59 | 873.59 | 884.80 | 853.21 | 884.80 | 12.71 | — | — |
| Combined | 845.00 | 847.50 | 848.35 | 847.42 | 847.42 | 847.42 | 873.90 | 829.21 | 873.90 | 22.61 | — | — |
| TORONTO Composite | 244.20 | 244.10 | 244.10 | 244.10 | 244.10 | | | | | | | |

NEW YORK ACTIVE STOCKS

| | Change | | | | | Change | | | | |
|------------|----------------|--------|-----|------------|---------|----------------|--------|-----|-------|------|
| | Stocks Closing | | | | | Stocks Closing | | | | |
| | traded | price | day | Scars | Rise | traded | price | day | Scars | Rise |
| ny invests | 1,532,100 | 27 1/2 | — | Scars | Rise | 472,200 | 10 1/2 | — | — | — |
| ny ind | 846,000 | 9 1/4 | — | Do Pon | 427 1/2 | — | — | — | — | — |
| ny, Pate | 630,700 | 27 1/2 | — | Notion | 31m | 433,100 | 13 1/4 | — | — | — |
| 3M | 535,520 | 50 1/4 | — | ATF | 403,200 | 52 1/2 | — | — | — | — |
| ny Carbide | 433,500 | 44 1/2 | — | Q-Int Ind. | 401,500 | 44 1/2 | — | — | — | — |

| | 1980 | | | | | High | Low |
|---------------------------|---------|---------|---------|---------|---------|--------|----------------|
| | June 18 | June 17 | June 16 | June 15 | June 14 | | |
| AUSTRALIA | | | | | | | |
| Sydney All Ord. (1936:59) | 888.51 | 879.35 | 878.55 | 947.47 | 146.21 | 128.00 | (21) |
| Melb. & Mtns (1936:59) | 383.18 | 345.04 | 341.00 | 344.32 | 99.05 | 81.20 | (28.8) |
| AUSTRIA | | | | | | | |
| Credit Anstalt (1:162) | 67.82 | 67.45 | 67.50 | 67.22 | 63.40 | 7(7) | 67.05 (11.0) |
| BELGIUM | | | | | | | |
| Belgian SE (51:12.65) | 96.26 | 89.50 | 96.85 | 96.93 | 105.76 | (11.2) | 98.14 (81.8) |
| DENMARK | | | | | | | |
| Copenhagen SE (1:107) | 79.15 | 79.15 | 79.16 | 79.12 | 68.24 | (21) | 74.78 (5.6) |
| FRANCE | | | | | | | |
| CG General (25:12.61) | 107.5 | 103.7 | 103.4 | 110.22 | 117.89 | (22.5) | 114.1 (31.7) |
| Ind. Tendance (28:12.79) | 105.3 | 106.8 | 107.0 | 107.26 | 129.29 | (15.2) | 96.90 (5.1) |
| GERMANY | | | | | | | |
| FAZ-Aktion 51:12.58 | 229.95 | (c) | 230.58 | 228.91 | 228.89 | (25.4) | 212.78 (28.6) |
| Commerzbank AG Dec.1955 | 724.1 | (c) | 728.1 | 719.50 | 749.2 | (25.7) | 587.0 (27.8) |
| HOLLAND | | | | | | | |
| ANP-CBS General (1970) | 85.9 | 85.6 | 85.0 | 85.1 | 87.9 | (11.4) | 74.9 (27.8) |
| ANP-CBS Indust. (1970) | 85.2 | 85.2 | 85.5 | 85.5 | 85.2 | (11.1) | 88.1 (28.8) |
| HONG KONG | | | | | | | |
| Hong Sang Bank (31:1.84) | 595.24 | (c) | 581.12 | 558.15 | 585.24 | (18.5) | 788.9 (15.8) |
| ITALY | | | | | | | |
| Sanpa Comm. Ital (1972) | 165.54 | 165.21 | 162.54 | 161.71 | 165.95 | (19.5) | 83.11 (2.1) |
| JAPAN | | | | | | | |
| Dow Average (16:5.49) | 6594.25 | 6793.50 | 6552.51 | 6821.81 | 6994.51 | (25.4) | 6475.85 (27.0) |
| Tokyo New SE (41:5.2) | 468.57 | 466.39 | 465.55 | 466.45 | 472.85 | (14.2) | 446.51 (16.0) |
| NORWAY | | | | | | | |
| Oslo SE (11:1.72) | 127.52 | 127.79 | 122.76 | 128.12 | 144.70 | (14.2) | 110.12 (28.5) |
| SINGAPORE | | | | | | | |
| Strait Times (1965) | 640.15 | 638.64 | 629.27 | 639.25 | 645.15 | (18.6) | 628.76 (5.1) |
| SOUTH AFRICA | | | | | | | |
| Gold (1958) | (u) | 650.8 | 564.8 | 545.5 | 556.8 | (16.8) | 548.5 (13.0) |
| Industrial (1958) | (u) | 684.3 | 622.3 | 628.2 | 633.1 | (28.5) | 564.9 (28.1) |
| SPAIN | | | | | | | |
| Madrid SE (22:15.75) | 100.51 | 961.04 | 101.25 | 101.25 | 105.29 | (21.2) | 88.78 (16.6) |
| SWEDEN | | | | | | | |
| Jacobson & P. (1:1.58) | 554.46 | 555.50 | 556.82 | 556.27 | 565.59 | (9.2) | 564.72 (17.1) |
| SWITZERLAND | | | | | | | |
| Swiss Bank Co. (31:12.96) | 238.5 | 238.2 | 238.9 | 239.20 | 247.9 | (11.1) | 244.5 (22.4) |
| WORLD | | | | | | | |
| Capital Int'l (1:1.70) | — | 142.8 | 145.3 | 162.8 | 145.5 | (15.2) | 120.9 (27.4) |

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 500 Industrials plus 40 Utilities, 40 Financials and 20 Transports. ‡ Closed. ‡ Unavailable.

بمضان الأشهر

Now 248 down at mid-session

AT MID-SESSION, prices were lower but above the morning's low. In active trading on profit-taking and some caution about what would happen to interest rates. Analysts said the market was due to weaken after the two-month rally resulting from sharply dropping interest rates, and thought the rates would now level off.

The Dow Jones Industrial Average was 248 down at 876.79. The NYSE All Common Index was 246 off at 866.01. Declines led advances eight to five on volume of 29.4m shares (28.8m).

Among other factors cited by analysts as influencing morning speculation in recent weeks, the Administration's ability to balance the 1981 Budget and signs that it might be considering tax cuts.

Among interest rate-sensitive issues, volume leader Household Finance eased $\frac{1}{2}$ to C173. Bank America $\frac{1}{2}$ to C167. Citicorp $\frac{1}{2}$ to C211. Continental Illinois $\frac{1}{2}$ to C294 and Texas Utilities $\frac{1}{2}$ to C181.

American Telephone, which slipped this week after a court ordered it to pay \$1.8m to MCI Communications in an anti-trust suit, reported flat earnings for the third month to May 31. It shed $\frac{1}{2}$ further to $\frac{1}{2}$ to C531.

Kerr-McGee declined $\frac{1}{2}$ to $\frac{1}{2}$ to $\frac{1}{2}$. A block of 250,000 shares traded at $\frac{1}{2}$. Kerr-McGee has been the subject of recurring takeover speculation in recent weeks.

Southland Royalty rose $\frac{1}{2}$ to $\frac{1}{2}$ after a $\frac{1}{2}$ jump on Tuesday. It will distribute shares of two new Royalty trusts to shareholders, giving corporate holders a 10% discount.

Precision Metal issues firmed on higher bulked prices. Dome Mines added $\frac{1}{2}$ at C531. Home-stake Mining $\frac{1}{2}$ at C539. Campbell Redlake $\frac{1}{2}$ at C543 and Hecla $\frac{1}{2}$ at C543.

THE AMERICAN SE Market Value Index was 1.01 off at 287.89 on volume of 3.15m (3.27m). Oils

Closing prices for North America were not available for this edition.

were mixed, and Electro Audio Dynamics was the morning's best performer, rising 15 per cent.

Canada

The market at noon was broadly lower in active trading. The Toronto Composite Index retreated 8.6 to 2,039.6, and losses led gains 180 to 167. The Gold Index rose 22.7 to 3,751.7, but Metals and Minerals declined 16.9 to 1,579.9 and Oil and Gas 33.3 to 4,583.3.

Oils were active and marginally lower. Gulf Canada at C522 and Hudson's Bay Oil at C521 each eased $\frac{1}{2}$, while Dome Petroleum lost $\frac{1}{2}$ to C521. Imperial Oil "A" slipped $\frac{1}{2}$ to C523 as did Texaco Canada to C544.

Rusky Oil, again the most active industrial issue, rose $\frac{1}{2}$ to C517.

Volume was 2.73m shares (3.12m).

Germany

Protesting took prices down from the high points reached on Monday before the national holiday on Tuesday, and after modest trading the Commerzbank index closed 2 points down at 724.1. However, higher bond markets were seen as indicating an underlying buoyancy in the securities market.

AEG gained DM 1.50 to DM 75.60, trading actively before today's shareholders' meeting. While Siemens, in high demand at the opening, shed its early gains to close 70 pfennigs down. In Chemicals, BASF shed 60 pfennigs to DM 147.40 and Bayer DM 1.50 to DM 127.37, but against the trend Hochtief put on 90 pfennigs to DM 119.

Paris

Prices closed weaker in what dealers described as extremely quiet and featureless trading. The session was subdued in depressed sentiment attributed to the approaching end of the accounting period and the announcement late on Tuesday of a record French trade deficit for May.

Banks, Insurance, Real Estate and Investments were mixed but other sectors eased on the day. Carrefour shed FF 20 to FF 1,810 and BSN Gersh FF 16 to FF 979.

Among foreign shares, Canadians and Gold Mines edged higher while Oils, Germans and U.S. stocks retreated and Dutch were mixed.

Tokyo

Tokyo Share prices closed higher with fresh buying interest in Blue Chips and Electric Appliances, although trading was light in anticipation of the general elections, to be held on Sunday.

The Nikkei-Dow Jones Market Average rose 26.45 to close at 6,234.95 on volume of 210m. The Tokyo SE Index added 1.73 at 468.57.

Sony put on Y80 to Y2,190 on buying for foreign investors, and Fuyo Kogyo rose Y33 to Y455 following interim results. Victor also rose Y30, to Y1,650, on institutional buying.

Hong Kong

The market closed mixed after hectic afternoon profit-taking ensued early morning gains which saw the Hang Seng Index touch a seven-year high.

The index closed 2.12 points up at 983.24, the highest of the year but lower than the 990.33 reached at mid-morning.

Among market leaders, Hong Kong Wharf rose HK\$4.50 to HK\$74, and Hong Kong Land Ltd to HK\$12.50.

Bank of China HK\$14.50, and Swire Pacific "A" held steady at HK\$7.90.

Hong Kong Electric retreated 15c to HK\$8.15, while Hong Kong Shanghai Bank steady at HK\$20.00. Hutchison Whampoa at HK\$28.00, and Jardine Matheson at HK\$15.60.

Elsewhere, Cross Harbour eased 30c to HK\$12, Hong Kong Telephone 20c to HK\$25.40, Hopewell 10c to HK\$12.50, and New Developments 3c to HK\$4.32.

China Light was unchanged at HK\$21.50, Hong Kong Hotels at HK\$33.50, and Sun Hung Kai Properties at HK\$10.00, while Green Island Cement rose HK\$1.50 to HK\$9.00 and World International 45c to HK\$3.50.

Australia

Stocks closed weaker with profit-taking in leading resource issues. Volume fell away considerably as overseas interest flagged.

Commodity analysts were bullish about gold, but some Golds leaders were weaker among stocks to ease. South Central Newsmax and CMX lost smaller amounts.

In Coppers, MIM and Bongaiville fell back. BH South and North BH were in the major losses. In Silver/Leads, and in Zinc both Baulmin and Abercrombie came under pressure.

Conventional Oils were generally easier despite news of a promising gas flow in Queensland's Surat Basin for Hartog, which fell 15c to A\$4.10. There were also indications the persistent selling in Santos is drying up. News of a A\$5.4m development programme for the Cooper Basin led shares move off the low to close steady at A\$13. Woodside shed 12c to A\$3.00.

In Minings, RB Metals rose 14c to A\$1.45 on rumors that it was about to announce a new coal project near Newcastle.

BBM, which had sold on Tuesday at a year's high of A\$15.15, weakened on losing overseas support and finished 40c down at A\$14.55.

Johannesburg

Gold shares held earlier gains made in the morning, but closed near the day's highest prices after moderately active trading.

Coppers and Platinums were little changed, while Industrials traded mixed to higher, although some remained nervous because of racial unrest in the country.

| CANADA | | | | BELGIUM (continued) | | | | HOLLAND | | | | AUSTRALIA | | | | JAPAN (continued) | | | |
|----------------|---------|---------|-------|---------------------|---------|-------|---------|---------------|---------|-------|---------|----------------|---------|-------|---------|-------------------|---------|-------|--|
| Stock | June 18 | June 19 | Price | June 18 | June 19 | Price | June 18 | Price | June 18 | Price | June 18 | Price | June 18 | Price | June 18 | Price | June 18 | Price | |
| Albitol | 102.1 | 102.1 | | Petrofina | 2,520 | -30 | | AGF Holding | 67.5 | +1.4 | | ANZ Group | 4.50 | -0.04 | | Kubota | 366 | | |
| Alcan Alum. | 14.1 | 13.4 | | Royle | 3,445 | - | | Alhold | 66.56 | - | | Alstare Exp. | 1.45 | - | | Kumagai | 371 | | |
| Alcan Alum. | 33 | 33.1 | | So Gen Belg. | 1,835 | -5 | | AKZO | 24.3 | -1.1 | | Ampol Pet. | 2.50 | -0.07 | | Kyoto Ceram. | 481 | | |
| Algonia Steel | 31.1 | 31.1 | | Sofina | 2,710 | - | | AMEV | 87 | +0.4 | | Audimex | 0.80 | - | | Maceda Cons | 494 | +9 | |
| Algonia Steel | 36.1 | 36.1 | | Traction Elect. | 2,465 | -50 | | AMRO | 65.6 | -0.1 | | Aust Cons Ind. | 1.25 | -0.1 | | Makita | 359 | -2 | |
| Al Montreal | 27.1 | 27.1 | | Union Miniere | 720 | -20 | | AMEV | 89.9 | +0.3 | | Aust Ind. Ind. | 2.12 | +0.07 | | Mardul | 612 | -10 | |
| Al Nova Scotia | 11.1 | 11.1 | | Veille Mot | 1,360 | -10 | | Bredere Gers | 66 | - | | Aust Paper | 2.76 | - | | Mart | 670 | +1 | |
| Al Nova Scotia | 11.1 | 11.1 | | | | | | Buehrmann-Tet | 126.0 | -1.3 | | Aust Paper | 2.76 | - | | Mat. Elec Works | 640 | | |
| Al Nova Scotia | 11.1 | | | | | | | | | | | | | | | | | | |

FINANCIAL TIMES SURVEY

Thursday June 19 1980

The Channel Islands

The end of exchange control regulations has left Channel Islanders wondering if sterling flowing to Jersey and Guernsey will be diverted elsewhere. So far, there is no clear answer, but the authorities are looking for ways to diversify the economy so the islands do not become over-dependent on the financial sector, which can be heavily affected by outside influences.

Keeping an eye on London

By Anthony Moreton, Regional Affairs Editor

EVER SINCE Mrs. Thatcher moved into 10 Downing Street, 13 months ago, those concerned with the economic affairs of the Channel Islands have kept their eyes on Whitehall with not a little apprehension. Although the UK Government has no control over the islands—constitutionally, they owe allegiance only to the Queen—a Conservative administration dedicated to reducing the level of taxation and increasing incentives could have an important effect on the well-being of Jersey and Guernsey. Both have prospered in the last two decades, a prosperity based in no small measure on their ability to offer an alternative to life in Britain. The tax advantages of living in the Channel Islands are most attractive: direct tax is levied at the single rate of 20p in the pound and there are no capital taxes of any kind. Distributed profits pay 20p in the pound but undistributed profits are not taxed at all.

As a result of these favourable rates the islands have attracted a large number of wealthy individuals and a greater number of companies who have contributed very substantially to the economy. Today it is estimated that the wealthy account for 25 per cent of Jersey's national income and companies another 25 per cent. Guernsey does not show its accounts in quite the same way but the financial sector accounts

for about a quarter of its income.

To get into Jersey, a wealthy applicant has to convince the Government that he is economically and socially acceptable. There is no definition of either category, but it is certain that the individual would have to be able to pay at least £15,000 a year in tax—which means he must have a gross income of £75,000—and be able to buy a house in the £200,000 range.

The islands knew that a Conservative Government would cut direct taxation in Britain and had almost discounted it. But they were as surprised as anyone else when Sir Geoffrey Howe, Chancellor of the Exchequer, suddenly ended all exchange control regulations.

With sterling free to move anywhere, would there be a drain out of the islands? Would money which might have gone to Jersey of Guernsey go elsewhere? In the eight months since Sir Geoffrey acted, no clear answers have emerged. The islands do not think they have been affected, but they admit it is too soon to say for certain.

They think that the British move might have enhanced their financial standing and strength since the growth of non-sterling deposits appears to have continued unabated. One of the significant factors of the last four or five years has been the way in which the islands are dealing much more now in

international finance rather than merely sterling.

In Jersey, for instance, total deposits in January amounted to £6.17bn of which only £1.6bn, or 26.7 per cent, was in sterling. Eighteen months earlier, deposits were £3.5bn with sterling liabilities about the same as now.

Although much of the attention has gone to the wealthy immigrants, the islands have become important financial centres. Last year 2,000 companies were registered in Jersey compared with 1,765 in 1978 and only 1,256 in 1975. Of the total last year, 1,008 were overseas trading companies, compared with 404 in 1975.

Non-sterling

In Guernsey, 898 companies were registered, only one fewer than the record total in 1977 and over double the total in 1972. This brought the total companies registered at the end of the year to a record 6,162, a rise of 636 during the year. Two thirds of those registered last year were outside the sterling area.

All the indications are that this inflow is continuing unabated and that 1980 should see a new record total of registrations. By the end of April the figure was 80 higher than a year earlier, so that the year-end result should be well over 950.

Both islands have seen big advances made in business

transacted in trust administration and overall corporate management on behalf of overseas clients and it is these developments which lead one to believe that the ending of UK exchange controls will actually help them.

For instance, in Guernsey there has been further development in the field of fund management and the Royal Bank of Canada is making the island its centre for its fund management business outside Canada.

Jersey now has 33 deposit-taking institutions, a figure which is probably near what it considers manageable. No formal applications from banks to open on the island are in the pipeline and Jersey would probably want any newcomer to show that it could offer new services before authorising it in future.

This must help Guernsey, which has not been inundated to the same extent by banks and to which the latter may well turn if they find no room on the larger island. One important development that has taken place in Guernsey is the opening of the first branch of an overseas bank—the American Manufacturers Hanover Trust. The bank already has a subsidiary on the island but it has set up a branch, not directly controlled by the subsidiary, to deal specifically in the Eurocurrency loan business.

Banks such as Citibank and

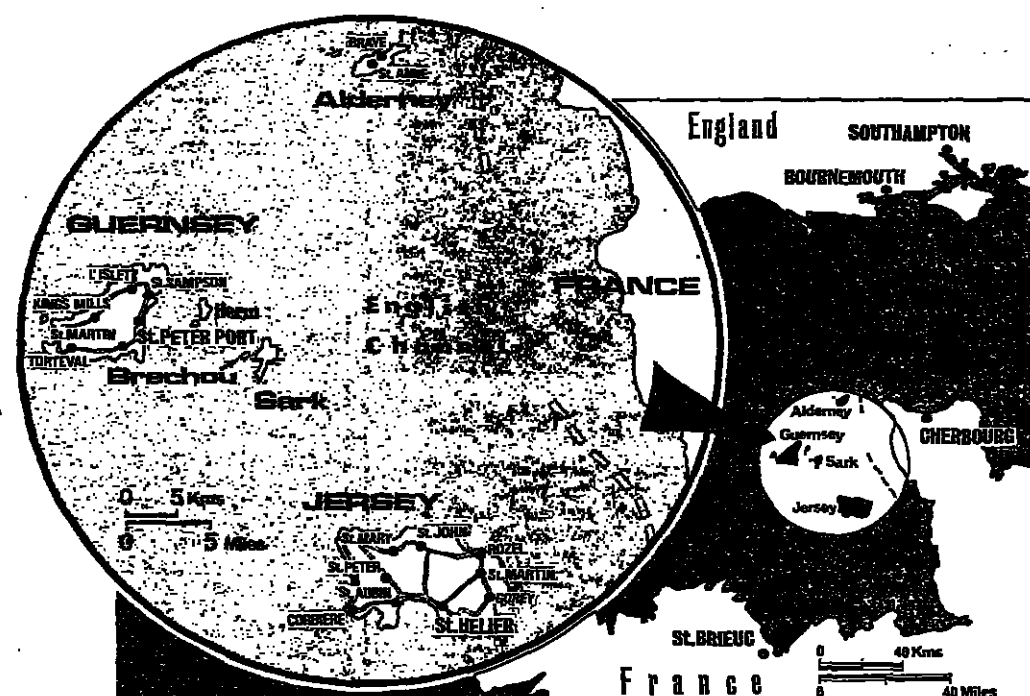
Bank of America operate in this way in the U.S. but this is the first time it has been done in the Channel Islands, though the indications are that Manufacturers Hanover Trust will be followed by others before long.

The development of captive insurance business has also continued apace on Guernsey (it is not allowed by law on Jersey). Among those who have been making inquiries has been the Confederation of British Industry, looking for a base to operate a scheme under which British companies can insure against strikes.

The island intends to tighten the regulations concerning captives this year even though such captives have no public involvement. The Government will no longer permit any insurance company to be incorporated with corporation tax status—that is where management and control would be situated outside the jurisdiction of the island.

Legislation is also to be introduced to require all insurers to register. At the moment the island is not sure how many insurance companies there are—or, indeed, who they are since some may be hiding behind names which give no clue to their business. Such supervision is expected to be formalised during the autumn.

The other active area is in the reform of company legislation. No one could accuse the islands of undue haste in this matter.



CONTENTS

| | |
|-------------------------|-----|
| Immigration | II |
| Police | II |
| Company Profile: | |
| Reditronics | III |
| Personal Profile: | |
| Ian Steven | III |
| Sark after the Dame | IV |
| Channel Television | IV |
| The Islands' Newspapers | IV |

JERSEY COMPANY REGISTRATIONS

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|--|------|------|------|------|-------|
| Public investment trusts; merchant banks; and financial concerns | 24 | 48 | 74 | 51 | 46 |
| Private investment companies | 567 | 630 | 707 | 654 | 656 |
| Overseas trading companies | 494 | 484 | 630 | 759 | 1,008 |
| Local trading companies and others | 261 | 375 | 358 | 301 | 301 |

1,256 1,537 1,769 1,765 2,020

Source: Jersey Commercial Relations Department.

Jersey has had a report before it for some years and quite obviously finds the suggestions, which would codify the law in a way acceptable to modern practice, with some distaste.

The island does not seek to attract, or offer a refuge to, the dubious company. Its general rules are strict and it maintains close touch (as does Guernsey) with the Bank of England. But there is a distaste of acting swiftly and instead of a major overhaul of its century-old commercial law the most that can be expected—and this probably some time next year—is some movement on trust law. "Things are moving down the pipeline and could lead to a document within the next year," I was told.

Guernsey, which has a different legal system from that in Jersey, is also moving down the

same pipeline. Although its company law dates from 1908 and is admitted to be archaic, only piecemeal changes will be made. One area where there should be changes is in the question of preferential payments in questions of insolvency. At the moment employees' salaries and wages enjoy no preference, a state that will be changed under the new legislation.

Economic growth depends to a considerable extent on population growth. There are fears that too rapid a rise in population will lead to undue strains, especially in Jersey. Late last year, Jersey decided to tighten the screw and allow a net rise of just over 400 people a year.

Since then, with the downturn in the world's economy, the growth will probably be rather smaller than this and

the island will be able to contain population growth without having to take restrictive measures itself.

But without a rising population, can the islands diversify their economies sufficiently to prevent the financial sector becoming over-dominant? The other two main industries, horticulture and tourism, are feeling the effects of the strong pound, so the islands need light industry or some other form of employment generator. If population growth is restricted where will growth come from? This is the conundrum which faces both islands. And neither has come up with a complete solution. Until they do there is always a danger, however slight, that the islands will become over-dependent on a sector that can be heavily affected by outside influences.

ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

Investment Portfolio of Gilts

Daily valuation and dealing

Following the recent heavy demand for the Arbuthnot Government Securities Trust, the Directors are now dealing in the shares of the Company on a daily basis until Monday 18th May, 1981.

14.80%

Estimated Gross Dividend Yield (at the last offer price of 86.2p x d*)

Dividend

The Directors are pleased to forecast an annual dividend of 12.75p per share for the year ending 31st July, 1980, to be paid quarterly.

The Income Shareholders receive gross dividends in cash (except to Jersey residents) and the capital shareholders a scrip issue of equal value.

Capital shares may not be held by residents of the United Kingdom or Jersey.

The Income and Capital Shares are listed on The Stock Exchange, London.

The fund is now valued at over £11 million.

Allen Harvey & Ross Investment Management Limited who have an excellent record in the management of Gilt-edged funds act as investment advisers.

To: Arbuthnot Securities (C.I.) Limited, P.O. Box 284, Rutland House, Fitt Street, St. Helier, Jersey, Channel Islands. Tel: (0534) 76077.

Please send me a copy of the company's prospectus (on the terms of which alone application for shares will be considered) together with the latest accounts.

Address

Name

ARBUTHNOT

A/19/6/FTS

Issued by Arbuthnot Securities Limited (Licensed Dealers in Securities).

BNP in the Channel Isles

As the first French bank to be established in the Channel Islands BNP Jersey provides financial services for international companies and for corporate and private clients resident worldwide.

BNP is one of the world's largest banks and BNP Jersey Branch is an integral part of the Group network which extends over seventy-five countries.

Mr. Raymond Repessé, Manager, and Mr. David Mitchell, Trust Manager, will be pleased to advise you on the bank's range of financial and trust services.



Banque Nationale de Paris

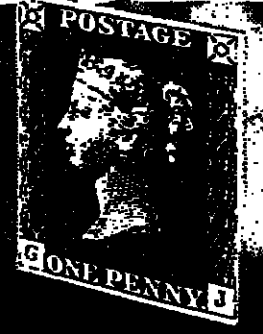
Jersey Branch, PO Box 158, 19-23 La Motte Street, St. Helier, C.I.
Telephone (0534) 76011. Telex 4192352

BNP Group Head Office, 16 Boulevard des Italiens, 75009 Paris. Tel: 244 45 46. Tlx. 280605

UK Subsidiary, BNP Ltd, 8-13 King William Street, London EC4P 4HS. Tel: (01) 626 5678. Tlx. 883412

THE CHANNEL ISLANDS II

BLACK GOLD



The Alternative Offshore Investment

The expert selection of fine stamps can provide an investment capable of outperforming all other alternatives. This expertise is available to non-U.K. residents through Urch Holdings (Jersey) Limited. For full details of our service please write to Urch Holdings (Jersey) Limited, Park Place House, Tunnell Street, St. Helier, Jersey, or telephone Jersey 71666.

Urch Holdings Ltd.

The Fine Stamp Investment Service.

Legislation will cut flow of settlers

JERSEY and Guernsey have been taking a fresh look at a perennial problem—how to avoid becoming overcrowded.

As a result, both islands are tightening existing legislation to reduce the inflow of settlers—in Jersey's case to a maximum of 250 a year in all categories, from rich tax exiles to non-essential workers.

The two larger Channel Isles have used control of housing occupation for many years to defend themselves against an invasion from the British mainland.

Broadly, everyone without residential qualifications through birth or length of domicile, or a combination of both, now has to have a permit to occupy any accommodation. Exceptions are paying residents in hotels, guest houses or—in Jersey only—registered lodging houses. In addition, Guernsey has a pool of higher-priced properties available to wealthy settlers.

In 1973, Jersey introduced a powerful new tool to control immigration, the Regulation of Undertakings and Development Law, which restricts business

expansion and the demand for new employees.

Many UK citizens who are aware of these entry barriers resent them because there is no restriction on Channel Islanders wanting to make their homes in Great Britain.

But successive British governments, Tory and Labour, have never seriously questioned that these self-governing dependencies of the Crown must, to survive, limit population as they think fit.

The EEC, with which the Channel Islands, like the Isle of Man, have a special relationship, also recognises the strength of their case. The only proviso made by the Community is that immigration restrictions must apply equally to all EEC nationals.

Jersey and Guernsey, reassessing their position in the face of an overcrowded outlook for the 1980s, have been careful to prune legislation so that it does not favour settlers from the UK.

Guernsey's new housing law, which comes into force next January for 10 years, makes no concession for the Guernsey-born, such as ex-servicemen, who want to return after many years' absence. Jersey takes the view that "once a Jerseyman always a Jerseyman," and freely welcomes back the wandering native.

The larger island's Housing Committee adopts a harder line towards illegal occupants, and last year it created the post of law enforcement officer to investigate suspected cases. These are said to be running currently at 100 at least.

Fewer permits

Following a recent report on immigration by the Policy Advisory Committee, Jersey is reducing the number of housing permits issued to essential workers, and limiting business expansion even by local residents. From January, the housing authority will also abolish the concession that automatically allows newcomers to lease property after 10 years' residence.

The PAC's report was drawn up because of growing dismay that, with a population today of 76,000 in 45 square miles, Jersey's official target of not more than 80,000 by 1995 looked hopelessly unattainable. The measures adopted were designed to cut the present 420 a year net rate of immigration to less than half. But it is now felt

that economic circumstances will keep the rate of immigration down to this level without the island having to take positive action.

New restrictions on the quota of wealthy settlers—now around 10 a year instead of 15 have also been adopted.

The wealthy settlers, or "K" residents (they are known as such because of the section of the housing regulations that applies to them), are only allowed to buy properties in the most expensive range. Using housing to control immigration is frequently deplored by Channel Islanders and newcomers alike as unjust, confusing, divisive, and difficult to enforce. Jersey considers that the alternative of actual frontier barriers would be too costly, and would be psychologically damaging or worse in relationship to the UK.

But Guernsey's Parliament has just set up a special committee to study the possibility of a different form of immigration control—mainly under pressure from local MPs seeking better protection for native islanders.

MPs also persuaded the housing authority that some form of clarification of Guernsey's complex laws should be prepared. Without being legally binding, it should spell out for newcomers what their position is likely to be.

Jersey recently issued a simplified leaflet along these lines, which may have helped to overcome the Guernsey housing authority's reluctance. It has always held that it is up to immigrants to find out their situation before coming to the island, an attitude that has earned it a lot of criticism—particularly from "licence holders" such as teachers and bank staff.

The dilemma for Guernsey and Jersey is that they must keep their economies flexible, and balance expansion against pressures on the environment and the islands' limited resources.

With the important addition of the Regulation of Undertakings and Development Law, Jersey is able to put a brake on the number of newcomers when necessary.

For Guernsey, where about two-thirds of the population is indigenous, precise control is more difficult. With 54,000 packed into 25 square miles, the island is one of the most densely populated in Europe,

and the housing authority is committed to keeping growth at not more than 7 per cent over a 10-year period ending by 1985.

In 1978 and 1979, it allocated for 90 new housing licences a year, to cover not only non-islanders but also "hardship" cases in residence, and returning ex-servicemen.

Guernsey has a two-tier housing market, and immigrants can only occupy lower-priced local market housing under licence. A pool of some 1,400 "open market" houses is available to settlers who can afford the prices.

These wealthy newcomers will never be allowed to live in local housing, but by next year, under the new law, their children will—after they have lived in the island for 20 years consecutively.

For the first time, the 1981 law defines who is a Guernsey citizen. He or she is someone born in the island while one or

both parents are resident, and who has lived there for 10 years during any 20-year period, or the child of such a person who has served the same residential term.

Nationalist-minded islanders have found it shocking that children born of wealthy settlers will have the same rights of citizenship as their own children.

Trying to be fair

But the housing authority has tried to be fair in the new law to people already settled in the island, while restricting new immigrants. Maximum penalty for illegal occupancy will go up from £500 to £5,000.

Jersey and Guernsey have enabling legislation for introduction of work permits, although it is felt that their usefulness is to protect local jobs when there is low employment, rather than as aids to

immigration control. Alderney's work permit system is already in operation. Alderney, a small island in the English Channel, has a population of 2,000, drawn mainly from the UK, in an area 34 miles long by 11 miles wide. Alderney has its problems. As yet, there are no housing restrictions. "Because many young people are finding it impossible to find accommodation, they can afford some form of housing control could be introduced before long."

Sark, roughly the same size as Alderney, has maintained its population at around 550 for well over a century without any controls. Under its link with the English Crown, which goes back to Elizabeth I, only British subjects can buy freehold property there.

Willa Murray

Honorary policemen uphold the law

THE VISITOR to Jersey can come and go without realising that the British-style blue-uniformed bobbies he sees on patrol are not the island's only law-enforcement agency.

If he commits an offence, however, he will probably meet another, more sheriff-like kind of policeman—someone who drives up in his own car and is identifiable as the law only by a badge and an armband.

A farmer, shopkeeper or taxi-driver perhaps, the investigating officer will be doing his turn of duty as an elected member of one of the island's 12 unpaid parish police forces.

He must be taken seriously despite his workaday appearance; in fact, Jersey's honorary police still have more power in some directions than the 160 strong uniformed States police. They can hold their own inquiry at the parish hall, caution or fine if it is a minor offence, act as prosecutor if it is a police court matter.

Jersey has clung to this institution in the face of outside censure and ridicule, periodic protests from the island's professional police, and—once suspects—misgivings at the Home Office.

Earlier this month local MPs actually voted to increase the powers of the constables, the chief parish police officers under the *constables*.

The office of constable (originally someone responsible for a 100 families) has been traced back to 1502 and no doubt existed earlier. The first paid *agents de police* appeared in 1845 and were taken on to help the parish police keep order at night in St. Helier.

It was not until 1952 that Jersey had a professional police force on mainland lines and even then its authority was largely confined to the town of St. Helier.

The powers of the States police were considerably

widened in 1974, following a fortnight report by H. M. Inspector of Constabulary, Mr. R. G. Fenwick, who inspected Jersey's professional force in 1971 at a time when morale was at low ebb.

Mr. Fenwick concluded that the restrictions placed on the States police by their subordinate role "clearly hinder full use being made of their capability, and have caused frustration, disturbance and dissipation of effort and are the root cause of many internal troubles now besetting the force."

Not accepted

Jersey's Defence Committee—and subsequently the island parliament—did not accept Mr. Fenwick's recommendation that the police functions of the parish officials "should be allowed to lapse."

But the 1974 Act gave the uniformed police the right to patrol the whole island and made it a legal requirement for the honourees to keep the professionals informed of what they were doing and to call them in for prescribed offences.

Two of the parish police privileges were left intact: the exclusive right to make formal arrests and to charge and bail, and the unusual right of search without a warrant for stolen property. However, the States police can now appeal to the Crown Officers where they feel that a parish constable has wrongly failed to prosecute.

Jersey's attachment to the parish police system is based partly on tradition, partly on the practical argument that honourees helps to keep this small, independent community solvent, and partly on the belief that it is often a more sympathetic method of law enforcement.

This last point has perhaps gained weight at a time when

police forces elsewhere are frequently accused of being too divorced from the community.

Jersey's 300 or so honorary police may be untrained, unprofessional, eyes, but they are mostly people who have grown up in the parish, know every one's background and tend to interpret the keeping of law and order as much more a social as from a strictly policing standpoint.

Undoubtedly many cases of domestic and neighbourhood dispute that would end up in court in England are settled by parochial commonsense in Jersey.

During his turn of duty, the honorary policeman is usually on 24-hour call by "bleeper," and in an island that now has over 750,000 visitors annually, and a rising rate of drunkenness, hooliganism and other crime, it is becoming more difficult to find people with the time to do the job.

Among the criticisms of the honorary police system have been that it leads to laxity, with offenders too often let off with a caution; to inconsistency in imposing fines and settling half; and to failure at times (due to the professional police's main complaints) to investigate cases properly.

At the same extent, these criticisms have been met by the closer liaison now established between the two forces and by a systematisation of the honorary police's operations under the control of the Attorney General.

Even so, the Jersey Police Association, representing the uniformed force, recently reiterated its view that the time had come to consider relieving the parish officials of their police functions. For better or worse, Jersey's politicians seem unlikely to meet that view in the foreseeable future.

Edward Owen

We're right at home around the world.



The only Canadian Chartered Bank represented in Jersey

THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED

provides full banking services in the Island and offers attractive deposit rates in all leading currencies

THE BANK OF NOVA SCOTIA TRUST COMPANY CHANNEL ISLANDS LIMITED

offers the following services: Executorship and Trusteeship Company Management · Management of Investment Portfolios

For our brochure on Jersey and copies of the latest audited accounts

write to The Managing Director at

QUEEN'S HOUSE, 13-15 DON ROAD, ST. HELIER, JERSEY, CHANNEL ISLANDS.

Telephone: (0534) 72990 Telex: 4192229 Cable Address: Scotiabank, Jersey.

Scotiabank

Confer in another world—well within their reach

Put issues in a new perspective. Come to Jersey for your conference or convention. You'll be doing a lot to ensure its success. Things look brighter in Jersey. In fact they are.

You feel sunnier and warmer. Ready for business and pleasure.

And Jersey is ready for you. Many of the top hotels have special facilities for groups of all sizes. The new conference centre at Fort Regent will accommodate 140 in a purpose-built meeting or presentation complex, and up to 2,000 in the new Gloucester Hall.

And there are plenty of things to bring people together when work is done. Charming pubs. Fine restaurants to every taste. Golf, tennis, swimming, quiet country walks. And don't forget the low-duty, VAT-free shopping.

Jersey is easy to get around (cheap petrol and car hire), and easy to get to. There are direct flights from all over the U.K. and from Paris, Holland, Belgium and Germany.

For more information write to John Layzell at the Jersey Convention Bureau, Tourism, Weighbridge, St. Helier, Jersey, C.I. Or phone 0534-21281.

Jersey

مكتبة النور

THE CHANNEL ISLANDS III

PROFILE: REDITRONICS

Branches on the electronic grapevine

A FEW months ago a 13-strong party representing some of Japan's leading music companies flew to Jersey to look round a factory tucked away in a residential suburb of St. Helier.

For their hosts, Redifusion Reditronics — a financially self-accounting local offshoot of the Redifusion empire — the visit meant that the company's background music equipment, already exported to nearly 60 countries, was now gaining a foothold in the most competitive of electronics markets.

This Jersey-based company was the first to develop a successful continuous-playback machine for taped music and for the past 21 years has been supplying all the equipment for the world-wide Redifusion Reditone service. Its current best-seller provides a two-hour stereo or four-hour mono re-

peat cycle of music from a cartridge tape that lasts for years.

The company was originally set up under the name of Television Research in 1951 to study long-distance TV reception for the Redifusion group, which had introduced wired radio distribution to the island a year previously.

Among Television Research's early achievements was to bring the 1953 Coronation to local screens from a TV transmitter 180 miles away. Over the following 25 years about half-a-million homes in Britain were supplied with cable TV through its Jersey-made equipment.

Lately this source of business has fallen off, and the company's change of name to Reditronics in 1978 marked the beginning of a search for independent markets.

It has emerged from a diffi-

cult phase as a versatile and creative manufacturing unit that makes over 180 products and sees its role essentially as solving customers' problems in the public address, communication, audio and audio-visual field.

All the sound equipment at Jersey airport, for example, was designed by Reditronics, including a sophisticated noise-sensing control system that adjusts the strength of announcements to the general volume of noise.

Director and general manager, Mr. Gordon Reed, who joined the company in 1952 from the Harwell Atomic Research Establishment, thinks that Reditronics' 50,000 sq. ft. factory at La Pouquelaye can now claim to be one of the most diversified for its size to be found anywhere.

The company is virtually self-sufficient, designing and building its own machine tools to

produce components and with all the facilities needed—pressure die-casting, plastic injection moulding, sheet metal pressing, precision machining, finishing—to look after itself from the raw material stage to final assembly.

All the packing and dispatch, over half to markets outside the UK, is also handled at the factory.

Since Reditronics began to go its own way, it has doubled gross sales every year in its own product sector and now sells about 30 per cent of its output outside the Redifusion organisation.

A growing market is in the supply of "listening posts" for historic sites, nature reserves and similar locations—a market in which Reditronics became involved through the UK Countryside Commission.

The Commission developed a free-standing, battery-operated, plug-in unit that could privately play back a taped commentary to one listener as an alternative to a public address system. Twenty prototypes were tried out in 1978 at the Ironbridge Gorge industrial museum.

Reditronics was approached because the commission wanted someone to develop the design, making it completely reliable, weather-resistant and vandal-proof, and to produce it commercially.

From this has come a whole range of listening and loudspeaking posts, including remotely fed, wall-mounted and multi-lingual versions. Some 300 have so far been installed on sites in the UK, Holland, Ireland, Norway and Canada.

A coin-operated talking post is currently on trial at London Zoo, and Amsterdam Zoo has found a Reditronics unit so successful that it is likely to order a further 17. Ten listening posts went into service this year at Sir Peter Scott's Slim-



Information on tap... from a Reditronics listening post at Jersey's Fort Regent leisure centre.

bridge Wildfowl Trust.

Another new product—an elaboration of the basic message-repeater—was originally developed for a German supermarket chain, which wanted to combine background music with playing the pre-recorded promotional messages of major suppliers at set intervals, throughout the day, together with facilities for inserting local branch announcements.

Television Research started life as a two-man operation in a caravan and later shared a converted produce warehouse on the St. Helier seaford with the local Redifusion company.

Today, Reditronics is one of

the Channel Islands' largest industrial concerns, employing about 200 (with 19 local youngsters on apprenticeship schemes) and with a turnover of some £2m a year.

The company's self-sufficiency, says Gordon Reed, helps to overcome the supply problems of offshore operation. "It also gives us more direct quality control and allows for more flexibility in our product range."

But above all, he thinks, Reditronics' versatility makes the job more interesting for everyone who works there. "It means more problems at times, but it is also more stimulating."

Edward Owen

PROFILE: IAN STEVEN

Brewing the right mix for a small company

LIFE FOR Ian Steven has changed considerably in the last decade. Until 1972 this Edinburgh-educated brewer looked after Bass Charrington International's operations in Spain, Switzerland and the Caribbean from a base in Bermuda. When he was in Britain it was mostly Monday to Friday in London with flying visits to his wife and family, who had remained in the Scottish capital for the weekends.

Then, in 1972, following a disagreement with Bass over a project in Spain Mr. Steven answered an advertisement and found himself managing director of the Ann Street Brewery in Jersey. Last October, he added the chairmanship to his portfolio. "I think I was opting out of the rat race anyway," he says, "though, in fact, I have never worked harder."

Ann Street is not only the larger of the island's breweries but also one of the largest public companies on Jersey, which gives 44-year-old Mr. Steven an important role within the business community. That role has been enhanced by a stint as president of the Confederation

of Jersey Industry.

He responds by having clear-cut ideas about the role of management in a small concern. The Ann Street Brewery may be large in Channel Islands terms, but it is essentially a small brewer: it has 50 houses, no gearing, an after-tax profit of £1.1m and very healthy revenue reserves.

For a company his size he believes that personnel and marketing departments are a luxury. "People are so important that their roles cannot be left to third parties. As you create personnel departments then you leave line management to do the nasty things while personnel does the nice things."

Prize-winners

"As far as marketing is concerned, if a manager needs a second party to advise him, then either the company is too big or he doesn't know his job. In a large company you have to have these people. But not here. Small really is beautiful."

"I also believe in keeping internal memos to a minimum. There is only one secretary in this company and when she is



Ian Steven

on holiday we don't write any letters."

Some of this may be tongue-in-cheek stuff, but what Mr. Steven is pointing to is the tight lines on which he runs the brewery. Those tight lines have helped turn round the brewery to the point where it can finance its expansion out of its own reserves without the need to dilute its capital.

Despite a good product—Ann Street beers are some 15 per cent stronger than those in Britain and prize winners at brewing exhibitions—the UK national names gained an increasing share of the Channel Islands' market in the fifties and sixties, aided by holidaymakers who wanted to stay with their favourite brews.

Ann Street reacted by making UK brews available in their own houses, becoming agents for a range of wines and spirits and eventually diversifying into allied drinks. The brewery took over a soft-drinks company and then it negotiated a franchise with Schweppes.

The latest step has been to move into the hotel business, building on the know-how acquired through the managed trade.

Ann Street has acquired a 45-acre site in Guernsey and a 3-acre site in Jersey. "Diversification is not necessarily a panacea for all ills," Mr. Steven says, "and you have to do it within your management capability. That is why we have gone into hotels. We know something about them."

The company will not overextend itself by developing both sites simultaneously. The aim is to move first in Guernsey, putting up a 130-bedroom hotel and associated sports facilities at Vimiera, inland from St. Peter Port, the capital, in time for the 1982 season.

The cost will be between \$4m and \$6m and will be met from within the company's resources with just a touch of short-term bank borrowing. When this project is contributing to the firm's cash flow it will look at the smaller Jersey site.

The company's share structure gives Mr. Steven considerable latitude to run the company the way he wants best without constantly looking over his shoulder in case a predator is lurking around. Some 17 per cent of the equity is held by charitable trusts and almost as much again by a small group of islanders, which includes himself. It is a solid base and allows plenty of freedom, which appeals to Mr. Steven after his hustled years with Bass.

Anthony Moreton

MARINE & GENERAL ENGINEERS LTD. GUERNSEY

Shipyard facilities include a slipway 600 tons. X 230 ft. x 40 ft., equipment for surveys, repairs, steel fabrication and complete engine overhauls, including fuel injection, etc.

NO V.A.T.

P.O. Box 33, Guernsey, C.I.
Telephone 0481-45808
Telex 4191105

The slipway is within the protection of a good harbour and ample pilotage is available.

GUERNSEY C.I. BEAT INFLATION

BUY TOMORROW'S HOLIDAY AT TODAY'S PRICES

For a single payment ranging from £1,200-£4,450 you can reserve one of these luxurious beachside fully equipped 2-bedroom self-catering flats for a specified week for the next 30 YEARS. Nothing extra to pay except a £50 p.a. maintenance payment to ensure flats are kept in mint condition.

Bookings for more than one week accepted.

Subject to prior arrangement and availability these may be transferred to other sites (130 worldwide), to other weeks or to other persons.

Send for full particulars to:
TUDOR ESTATES LTD.

Hirzel House, Smith Street, St. Peter Port, Guernsey

THE NEW GUARANTEE TRUST OF JERSEY LIMITED

Offers:

- * LENDING FACILITIES
- * ATTRACTIVE RATES OF INTEREST ON DEPOSIT ACCOUNTS
- * NO LIABILITY TO JERSEY TAX FOR NON-RESIDENTS OF JERSEY
- * ALL INTEREST PAID GROSS
- * THE COMPLETE CONFIDENTIALITY THAT RESULTS FROM BEING WHOLLY OWNED AND CONTROLLED IN JERSEY

ALL ENQUIRIES TO THE MANAGER, P.O. BOX 34, 27 HILL ST. ST. HELIER, JERSEY. TEL. 36341. TELEX No. 4192268
AUDITED ACCOUNTS AVAILABLE ON REQUEST

The Midland in the Channel Islands.

Midland Bank is in the Channel Islands. With twelve branches at your service.

Here are some of the areas in which Midland Bank Group may be able to help you:

Current accounts. Sterling and currency facilities.

Taxation advice. Eurocurrency facilities. Expansion capital.

Information concerning market rates for deposits

in sterling and currency given on request.

Nominee service. Investment and company management.

Executor and trustee services.

For further information on Midland Bank Group services in the Channel Islands, please contact one of the offices listed below, or your local Midland manager.



Midland Bank Group

Midland Bank Limited branches in the Channel Islands include:

JERSEY

Manager: H. W. Hall
8 Library Place
St. Helier, Jersey, C.I.
Tel: 0534 73696
Telex: Jersey 4192122

Manager: J. C. Tibbo
2 Hill Street, St. Helier
Jersey, C.I.
Tel: 0534 20321
Telex: Jersey 4192353

Manager: R. H. Pallot
9 Queensval's Parade
St. Brelade, Jersey, C.I.
Tel: 0534 44228

Manager: H. W. Hall
6 New Street, St. Helier
Jersey, C.I.
Tel: 0534 73696

Manager: H. W. Hall
Five Oaks
St. Saviour, Jersey, C.I.
Tel: 0534 73696

GUERNSEY

Manager: D. Le Sueur
13 High Street (and 22 Smith Street),
St. Peter Port, Guernsey, C.I.
Tel: 0481 24201
Telex: Guernsey 4191617
And at St. Sampson, St. Martin
Landes du Marche and St. Pierre du Bois

ALDERNEY

Manager: D. Le Sueur
Sub Manager: J. H. Cronshaw
Victoria Street
Alderney, C.I.
Tel: 0481-62 2293

SARK

Manager: D. Le Sueur
Sub Manager:
J. M. S. Terry
Rue Lucas, Sark, C.I.
Tel: 0481-83 2080

Midland Bank Group companies include:

Midland Bank Trust Corporation (Jersey) Limited

Director & General Manager: J. K. Thomson. Director & Assistant General Manager: K. B. Ineson
Registered Office: 28-34 Hill Street, St. Helier, Jersey, C.I. Tel: 0534 36281. Telex: Jersey 4192098

Midland Bank Trust Corporation (Guernsey) Limited

Director & General Manager: J. K. Thomson. Director & Manager: R. H. Kayley
Registered Office: 22 Smith Street, St. Peter Port, Guernsey, C.I. Tel: 0481 23765. Telex: Guernsey 4191586

Fidelity International for the 1980's

The Fidelity International Investment Group of Boston is one of the oldest, largest and most respected investment management organisations in the US. Also one of the few with truly international capabilities. It manages over \$8,000 million for some 450,000 private and corporate investors worldwide. As a matter of policy, Fidelity's activities are dedicated exclusively to the function of investment management.

With offices in Boston, New York, Tokyo, London, Bermuda and Jersey, it is able to offer international equity and fixed interest funds which have consistently outperformed their relevant stockmarket indices.

These include:

Equities: AMERICAN ASSETS
Up 214% since October 1974, compared with 64% on Standard & Pears 500 Index*

INTERNATIONAL FUND
Up 260% since February 1969, compared with 31% on the Capital International World Index*

PACIFIC FUND
Up 634% since December 1969, compared with 198% on the Tokyo New Index*
* to 2nd June 1980

Bonds: DOLLAR SAVINGS TRUST
US deposits and bonds

STERLING FIXED INTEREST FUND
UK gilt fund based in Jersey

For full details on Fidelity's international investment services contact our office in Jersey (or telephone Fidelity in London on 01-248 4891) for a copy of our brochure which includes performance tables and graphs for all our funds:

Fidelity Management and Research (Jersey) Limited,
Waterloo House, Don Street,
St. Helier, Jersey,
Channel Islands
Tel: (0534) 27561

Fidelity

Risk retention! Captives? Guernsey!

Risk Management Limited is a consultancy founded in the conviction that exacting technical standards and independence from the control of insurance brokers or insurance company interests are pre-requisites to objective advice on risk control, retention and financing.

Working exclusively on a fee basis, we provide discerning insurance buyers with a standard of service which has enabled us to establish an international reputation, particularly in the fields of risk retention advice and the financing of risk retention by use of properly managed captive insurance companies.

Our risk management services include:
audits of insurance and risk management programmes;
loss analyses and development of risk retention programmes;
captive insurance company feasibility investigations and the management of such companies.

If you are considering the formation of a captive and require our specialist assistance, or if you already control a captive but feel that it has not been developing to its full potential, we shall be pleased to discuss your requirements with you.

RISK MANAGEMENT LIMITED

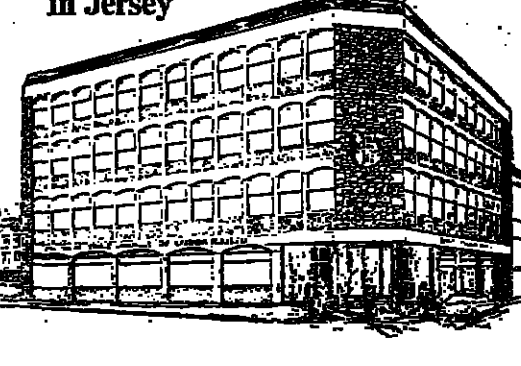
11 VICTA HOUSE, CANDIE RD., ST. PETER PORT, GUERNSEY, C.I.
TELEPHONE: GUERNSEY (0481) 23612 - TELEX: 4191944

JERSEY MAIN STREET INVESTMENT PROPERTY

Comprising 7,000 sq ft ground floor area, with offices, stores and two flats above. Present rental income £29,000 p.a. 18 years remaining on lease with 3 year JCOLI rent reviews. Fully repairing and insuring. Price: £380,000.

BROADLAND ESTATES LTD.,
6 VINE STREET, ST. HELIER, JERSEY, C.I.
Tel: 0534 74374/74574

ROYAL TRUST in Jersey



During the 18 years that we have been established in Jersey we have accumulated a wealth of experience in dealing with clients' international financial affairs. Royal Trust Bank (Jersey) Limited and the Royal Trust Company of Canada (C.I.) Limited offer the following services:

Savings and deposit accounts
(in major currencies)
Loans and mortgages
Investment management
Safe custody
Trustee and executorship
Corporate trusteeship
Company secretaries

If you would like to receive a copy of our publication "Jersey as an International Financial Centre" please complete the coupon below.

Royal Trust Bank (Jersey) Limited
P.O. Box 194
Columbier
St. Helier
Jersey, (C.I.) Tel: (0534) 27441
Telex: 4192351 RTJISY G

Member of the Royal Trust Group of companies with over 250 branches in Canada and subsidiaries in London, Ireland, Isle of Man, Florida U.S.A.
Group assets under administration over £325,000 million.

Please send me a free copy of Jersey as an International Financial Centre

Name _____
Address _____

FT 5 80

THE CHANNEL ISLANDS IV

The legendary Dame of Sark died nearly six years ago after a long and remarkably successful battle to preserve her tiny domain from outside interference.

But now a new kind of invasion is threatening its tranquillity.

Willa Murray reports on the changes.

Sark: a feudal bastion besieged by tourists



Life plods on at an easy pace for Sark's inhabitants

ON JULY 14, six years will have gone by since the death of Dame Sybil Hathaway at the age of 90. As La Dame de Sark, she was a legend in her own lifetime, and for 47 years held sway over her tiny domain with an authority that even the occupying German forces in the Second World War preferred not to challenge.

Constitutionally, Sark—the "last bastion of feudalism" that she did so much to promote and safeguard—is unchanged. La Dame's grandson, Michael Beaumont, takes his traditional place as hereditary Seigneur at three yearly meetings in the local schoolroom of Chief Pleas, the island's parliament.

MPs are still the 40 landowners of freehold property in the 3½-by-1½-mile island allotted by the first Seigneur, Helier de Carteret, to fellow colonists in the days of Elizabeth I, together with 12 elected people's deputies.

But progress—for better or worse—has begun to make a mark on this offshore Ruritania and, say older, head-shaking residents among the 580 population, "Sark is not the same."

The most noticeable change is a gradual take-over of the day-trip business by package tours, which many Sark lovers think is threatening one of the island's biggest assets—its unhurried tranquillity.

Tourism, lasting some six months of the year, is the mainstay of a self-supporting community with no income tax, capital gains tax, death duties, or revenue from company

registration. For decades, day visitors have been a useful second string to staying guests in hotels, guest houses and self-catering accommodation, totalling about 400 tourist beds.

But now several parties of British and Continental visitors a day are shuttled over from Jersey and Guernsey by fast vessels on trips built into their holiday packages. The highlight of their few hours in Sark, where cars are banned, is a tour by horse-drawn carriage or wagonette, cut short to squeeze in two trips a day instead of the leisurely full day once offered by drivers.

Carriages and horses have multiplied to meet this new demand, adding to the noise and dust on unmade roads from tractors and hired bicycles.

Tight schedule

Last December, Chief Pleas called a halt until November, 1981, on the issue of new licences for horse-drawn vehicles—which still leaves 58 tractors, 821 bicycles, 74 horses, 33 vans, 27 wagonettes, six Victorias and five two-wheeled carriages at large.

Although 82,000 adult visitors paid the 25p poll tax to land in Sark last year (children under 14 disembark free), some islanders think the packaged day trippers benefit nobody but the carriage drivers.

Many bring packed lunches, and are worked into schedules so tight that they scarcely have time to buy even a postcard. One island couple said that these

visitors saw too little of "the real Sark" to get a favourable impression of the island.

Worse still, it is claimed, the day-trip traffic is beginning to affect the genuine tourist trade—staying guests with time to appreciate the island's peace, beauty and friendliness, buy its low-duty drinks and cigarettes, and patronise its surprisingly fine restaurants.

A revolution since Dame Sybil's day that has upset everyday life in Sark is the switch from a manual to an automatic STD telephone system, introduced a year ago.

Sark's 24-hour telephone service, managed in shifts by four lady operators, was unique. Numbers were unnecessary within the island, because the operator connected callers with the person asked for—even if they were out visiting a neighbour or a bar.

New Sark's doctor (who carries out his rounds on a bicycle) has had to install an Ansafone. Its tiny voice intimidates his elderly patients, and cannot—like the operator—could—interpret what they want.

The tractor-drawn ambulance and fire-engine can no longer be rushed into action by the telephone ladies ringing round to call the men in from the fields. Instead, Sark has ordered sirens which will be sited at strategic points to alert the firemen, and will be set off from the lighthouse.

Michael Beaumont explained: "Nobody wanted STD—it's very inconvenient. But the Guernsey Telecommunications

Board, which is responsible for Sark's service, and for the operators' wages, could no longer get the spare parts for our old exchange."

Inflation, says the island's Seigneur, is the biggest economic problem now facing tiny Sark. This year, for example, the island expects to pay over £8,000 for the services of a Guernsey policeman, who is brought over in the tourist season to help the two local, honorary police.

In 1974, the year of La Dame's death, the same service cost £2,242.

The Seigneur and his wife, Diana, are a popular couple—hard-working and more democratic than feudal in their approach. But it has yet to be seen whether they will be able to project the identity of the island in the same way as Dame Sybil, whose view of her role was formed in a more forthright and uncomplicated age.

She believed in the independence of her birthplace, and in its ability and right to fend off outside interference. And she played up to the part of Sark's uncrowned "queen" with the persuasiveness of complete conviction.

One Sark-born resident recalled: "They would have it in the English papers that La Dame ruled us—but this wasn't true. It's Chief Pleas—then as now—that governs the island. But there's no doubt that visitors got a big thrill if they just caught a glimpse of Dame Sybil driving in her carriage."

Channel TV reigns alone

WHEN APPLICATIONS for the new round of contracts closed last month, Channel Television found itself in the enviable position that no one else sought to displace it in the islands. This gives it a considerable advantage: it can plan for the longer term and not have to look over its shoulder while the Independent Broadcasting Authority adjudicates over the merits of rival claimants.

Channel is not unique in this situation: both Border and Grampian are in the same position. But it is unique in one respect: it is the only station in Europe to be completely "electronic," having gone over to the ENG, or electronic news-gathering system. Other companies in Britain, such as Grampian and Tyne-Tees have ENG and Westward will have some next month, but Channel is the only company this side of the Atlantic to have sold all its film processing equipment and film cameras.

Mr. Ken Killip, its managing director, claims it has one other distinction. It is, he says, the nearest thing there is in Britain to a community station, closely reflecting the needs and aspirations of the area it serves.

Although Channel TV is the smallest of the commercial stations, this has not been easy to achieve. Since the station has to operate in two islands whose laws, habits and preferences are very different, Channel's headquarters may be in St. Helier in Jersey, but it has to keep a very active operation in Guernsey, a costly item for a small station.

If uniqueness is nearly achieved in these directions it is absolute in one respect: the IBA Act, which controls commercial television, is the only Act of the UK Parliament which relates to the Channel Islands. In all other matters the islands are sovereign. When the IBA Act was extended to the islands it was with their consent.

The IBA requires the station to produce 34 hours of programmes a week and its output is between 4 and 4½ hours. It attempts to divide this equally between Jersey and Guernsey, though in the inevitable way of things it never succeeds in satisfying either island completely.

Channel's policy is to concentrate this production on those items which cannot be provided from outside and to buy in from the network the bulk of its material.

Its half-hour local programme, which begins at 6 pm after the national news from ITN, achieves very high viewing figures, pushing the BBC well into the background. But the massive lead disappears as the evening goes on.

It is the technique of news-gathering that really sets the company apart, though. Electronic news gathering, much practised in America and an invaluable tool in reducing costs and manning levels, has been accepted by the unions on the islands.

Labour costs

ENG is costly to introduce—about £50,000 for each unit and Channel has three—but Mr. Killip estimates that Channel saves £20,000 a year on film alone, apart from the saving in labour costs.

Channel has been able to reach agreement on the difficult question of ENG not only because relations with its unions are excellent but also because the unions have a different approach to industrial relations in such a small community than they do on the mainland. Since the station started in 1962 it has never been on the air.

Channel would like to provide

programmes from time to time for other stations, but it has no plans to contribute to the network. This does not mean that it is happy to swim along in its little pool.

Although advertising revenue is buoyant, it is looking for alternative sources of income and has recently set up two operating subsidiaries, Channel Promotions and Channel Rentals, to take it into publishing, distribution of sets, both, according to Mr. Killip, are making a "tidy return" and what he describes as "an accountant's profit." Of more importance, though, at the moment is the cash flow the rental company provides.

The company would also like to have gone into commercial radio but was prevented from doing so when the island government opted for an association with BBC local radio.

Channel was not alone in seeking the radio franchise, but its failure could have one blessing. The arrival of BBC local radio late next year will not draw away any advertising support from Channel which, in these times, is not a bad thing.

A.M.

Where morning meets evening...

ALTHOUGH THERE are two main papers in the Channel Islands, it is not easy to categorise either in British terms.

The Jersey Evening Post is made up by 2.30 pm and its one edition is on the streets by 3, so that it might be described as an early evening paper. Its counterpart in Guernsey, the Evening Press, prints just before 10 am and is on sale from about 10.30. It might title itself an "evening" but it is hardly that: given its edition time—it, too, has only one edition—it is hardly a morning, either.

What might appear to be disadvantages to British eyes is no drawback in the islands. Both papers, while still putting on circulation, have almost reached readership saturation level.

The Post has a circulation of just under 23,000 and the Press a little over 15,800, which means that allowing for the few people who do not buy any paper and the few more who do not buy a local one, both papers reach virtually every home.

Neither sells on the other's patch. There is a gentleman's

agreement that one does not poach in the other's water and despite a slight frisson some years ago when the Jersey Evening Post attempted to sell one edition a month on a special occasion, this has been meticulously observed.

Travel agency

The London nationals might, therefore, seem the main competition, though neither paper quite sees it this way. The two papers see their role as that of essentially providing local news and views and therefore do not compete with the nationals. The Guernsey Evening Press carries no news originating outside the islands. Its editor, Mr. Dave Prigent, says: "We are a paper of record of island events and so we don't run anything other than island news. This extends to sports as well. There might be items from Jersey, but no further afield."

The only major exception is when there is an event in, say, London, which is of importance to the islands. The paper would certainly cover that, probably on a joint basis with the Evening Post.

The Post does cover non-island events, but only on a minor scale. It reserves the back page for international news and carries some sport, though its edition timing limits this.

Both Post and Press profess to be unconcerned about the coming of local radio, though they agree it will give them extra competition. Mr. Michael Rumfitt, editor of the Jersey Evening Post, says that "commercial radio, had it come, might have drawn advertising revenue away from us but we are not now worried about the BBC."

It could attract some of our staff if it arrives with higher wages rates, and it could bid up our rates. But editorially we are not too concerned."

The Guernsey evening has a 15 per cent stake in Channel Television but this is an investment holding and the paper exercises no editorial or decision-making control. In Jersey, diversification has involved going outside the communications industry with which the company has been primarily involved since it came into existence 90 years ago.

With readership, and therefore advertising revenue growth, severely constrained (a survey in 1976 showed the paper was read by 96 per cent of islanders) the paper has been looking for different areas to maintain its profit growth.

The first, and most obvious, of these was in printing. It has added colour to its presses and prints a give-away sheet.

The second area is less usual: it moved two years ago into the travel business, buying an agency with two retail outlets, one in St. Helier and the other in the west of the island. This is run as a separate profit centre and is reported to be trading satisfactorily.

The two papers share one other characteristic. Both are produced by the most up-to-date electronic processes. It might be thought a touch unusual that these two minnows should be showing their much bigger brothers the way, but no one on the islands would do anything that would consider such a course as usual. And, sad to say, most people in Fleet Street wouldn't either.

A.M.

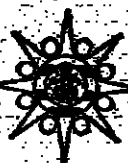
International Banking

We offer a wide range of commercial and international banking services along with comprehensive corporate and personal trust facilities including euro-currency transactions.

For further details contact us at:
31/33 Le Port, St. Peter Port
Guernsey, Channel Islands
Tel: (0481) 24268

The Bank of Bermuda (Guernsey) Limited

Bermuda International Holdings Ltd.
(Ultimate parent to The Bank of Bermuda Ltd., Bermuda)



Management Services of Guernsey Ltd.

Offer

Administrative services
Portfolio Management
Accounting Services

Telex and Boardroom available

4 College Terrace, The Grange,
St. Peter Port, Guernsey, Channel Islands
Telephone: 0481-26467 Telex: 4191611

Stewart Wrightson

in the Channel Islands

- International employee benefits planning
 - Captive insurance company managers through Capacity Resources Ltd
- Serving business and the insurance industry

The property bridge to the Channel Islands

Our office in St. Helier, Jersey, is an established authority on Commercial and Residential property throughout the Channel Islands. Links with Hampton & Sons network of offices in the U.K. and Paris mean we can offer a complete range of property services to local, mainland and international clients.

Hampton & Sons

3, Market Street, St. Helier, Jersey, Channel Islands
Tel: Central (0534) 29358/9
Head Office: 6, Abchurch Lane, London, E.C. 4
Hampton & Sons S.A. 19, Av. Franklin D. Roosevelt, 75008, Paris.

Have a great stay on Jersey.

Whether you come for business or pleasure, the Portelet and de la Plage Hotels will make sure you do. Everything about them is first class. From the luxurious, fully equipped rooms and international dining, to the meeting facilities and attractive locations—the Portelet is on a hill overlooking St. Helier's Bay, de la Plage is centrally located by the sea at St. Helier.

So make sure that your stay on Jersey lives up to expectations. Contact Mr. A. Asa at the Portelet Hotel, St. Helier, Jersey. Tel: 0534-41204. Or Mr. P. Fanshawe, Hotel de la Plage, Havre des Pas, St. Helier, Jersey. Tel: 0534 23474.



FOR SALE GUERNSEY

OPEN MARKET DWELLINGS
COMMERCIAL & INVESTMENT PROPERTIES

Contact
SEAVIEW ESTATE AGENCY
5 The Salerie, St. Peter Port, Guernsey, Channel Islands
0481 24703

مكتبة النور

Continued on previous page

FINANCE, LAND—Continued

| | Low | Stock | Price | ± | Hi. | Low | Hi. | Low | Hi. |
|-----|-----|------------------|-------|----|------|-----|-----|------|-----|
| 34 | 20 | Reynolds (S & S) | 224 | +4 | 10.0 | 3.4 | 6.1 | 6.0 | |
| 35 | 20 | Rockwell Int'l | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 36 | 51 | Soc. & Merc. A. | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 37 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 38 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 39 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 40 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 41 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 42 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 43 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 44 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 45 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 46 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 47 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 48 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 49 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 50 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 51 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 52 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 53 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 54 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 55 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 56 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 57 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 58 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 59 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 60 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 61 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 62 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 63 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 64 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 65 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 66 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 67 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 68 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 69 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 70 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 71 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 72 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 73 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 74 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 75 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 76 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 77 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 78 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 79 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 80 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 81 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 82 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 83 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 84 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 85 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 86 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 87 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 88 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 89 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 90 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 91 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 92 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 93 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 94 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 95 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 96 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 97 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 98 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 99 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |
| 100 | 51 | Smith Bros | 151 | +7 | 4.75 | 1.5 | 4.5 | 27.8 | |

| OIL AND GAS | | | | | | | | | |
|-------------|-----|---------------------|-------|----|-----|-----|-----|-----|-----|
| | Low | Stock | Price | ± | Hi. | Low | Hi. | Low | Hi. |
| 103 | 144 | Atkinson Energy Co. | 470 | -2 | - | - | - | - | - |
| 104 | 144 | Atkinson Energy Co. | 282 | -2 | - | - | - | - | - |
| 105 | 405 | Bac Res. Int'l S.A. | 480 | - | - | - | - | - | - |
| 106 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 107 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 108 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 109 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 110 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 111 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 112 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 113 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 114 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 115 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 116 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 117 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 118 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 119 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 120 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 121 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 122 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 123 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 124 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 125 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 126 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 127 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 128 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 129 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 130 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 131 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 132 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 133 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 134 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 135 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 136 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 137 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 138 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 139 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 140 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 141 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 142 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 143 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 144 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 145 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 146 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 147 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 148 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 149 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 150 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 151 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 152 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 153 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 154 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 155 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 156 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 157 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 158 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 159 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 160 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 161 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 162 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 163 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 164 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 165 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 166 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 167 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 168 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 169 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 170 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 171 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 172 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 173 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 174 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 175 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 176 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 177 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 178 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 179 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 180 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 181 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 182 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 183 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 184 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 185 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 186 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 187 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 188 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 189 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 190 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 191 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 192 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 193 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 194 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 195 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 196 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 197 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 198 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 199 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |
| 200 | 278 | Bac Res. Int'l S.A. | 296 | - | - | - | - | - | - |

| OVERSEAS STOCKS | | | | | | | | | |
|-----------------|-----|-------------|-------|----|---------|------|-----|-----|-----|
| | Low | Stock | Price | ± | Hi. | Low | Hi. | Low | Hi. |
| 71 | 64 | Assam Laker | 57 | -5 | 10.92 | 10.6 | 23 | 44 | |
| 72 | 64 | Assam Laker | 57 | -5 | 10.92</ | | | | |

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and commissions are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are dated on half-yearly figures. P/E's are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT; where applicable, bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated costs of new issues. P/E's are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT; where applicable, bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated costs of new issues.

"Tax Stock.
 Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
 Interim since increased or resumed.
 Interim since reduced, passed or deferred.
 Tax-free to non-residents on application.
 Figures or report awaited.
 Unlisted security.
 Price at date of suspension.
 Indicated dividend after pending scrip and/or rights issue: covers related to scrip only dividends or forecasts.

Merger bid or reorganization in progress.
 Not comparable.
 Same interim; reduced final and/or reduced earnings indicated.
 Foresee dividend; cover an earnings updated by latest interim statement.
 Cover allows for conversion of shares not now ranking for dividends.
 Ranking only for restricted shares.
 Cover allows for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
 Excluding a final dividend declaration.
 Regional price.
 No your value.
 Yield based on assumption Treasury Bill Rate stays unchanged until

[illegible]

under *prima*. P: Dividend and yield based on prospectus or other official estimates for 1979-80. G: Assumed dividend and yield after pending *scrip* and/or rights issue. M: Dividend and yield based on prospectus or other official estimates for 1980-81. K: Figures based on prospectus or other official estimates for 1979-80. N: Dividend and yield based on prospectus or other official estimates for 1980. O: Dividend and yield based on prospectus or other official estimates for 1979-79. P: Figures based on prospectus or other official estimates for 1978-79. Q: Green Figures assumed. Z: Dividend total to date.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously stated only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | | | | |
|----------------------|-----|--|----|--|--|
| Liberty Inv. 20p. | 29 | | | | |
| Aertron | 67 | | | | |
| Meridian | 58 | | | | |
| East. Exp. Ind. 50p. | 40 | | | | |
| Tele. Conf. | 60 | | | | |
| Wing & Rose L.L. | 53½ | | | | |
| E. Force | 32½ | | | | |
| Irish | | | | | |
| Comv. 9% 8A/82 | 57½ | | +½ | | |
| Nat. 9% 9A/80 | 59½ | | | | |
| Finn. 10% 7/82 | 57½ | | +¾ | | |
| Alliance Gas | 36½ | | | | |
| Armoet | 260 | | | | |

| STOCKS | | FUND | |
|----------------|-----|-------------------|-----|
| Alcoa | 24 | Carroll (P.J.) | 57 |
| Amstar | 65 | Chenille | 32 |
| Amgen | 75 | Concrete Products | 71 |
| Amgen Brev. | 615 | Helton (Hilda) | 33 |
| Amgen Inst. | 250 | Int. Corp. | 245 |
| Amgen Stn. C. | 187 | Irish Rapese | 35 |
| Amgen (C.H.) | 40 | J.M.C. | 85 |
| Amgen Mills | 40 | Unicare | 93 |
| Amgen Reinsham | 40 | | |
| Amgen (Wm.) | 143 | | |

OPTIONS

3 month Call Rates

[illegible][illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £50 per annum for each security

| Age Group | 2006 | 2007 | 2008 |
|-----------|------|------|------|
| 18-29 | ~85 | ~90 | ~95 |
| 30-49 | ~75 | ~80 | ~85 |
| 50-69 | ~65 | ~70 | ~75 |
| 70+ | ~55 | ~60 | ~65 |

Group to buy back £5m toy companies

BY ANDREW FISHER

MR. RICHARD BEECHAM, former joint managing director of the collapsed Dunelm-Comex-Marx toy group, has joined up with a group of British and Continental investors to buy a major part of its UK business from the receiver.

The proposed deal, believed to be worth well over £5m, covers the Pedigree, Dolls and Toys subsidiary and Comex, which makes small children's games and vehicles, as well as the Bjorn Borg garden tennis set.

Still to be decided, however, is the future of Hornby, whose products include car racing sets and trains.

"We are addressing ourselves to this," said Mr. Beecham, who declined to elaborate. "It is the most expensive company in the group."

He gave no figure for the Pedigree and Comex purchase, but said the consortium included banking interests and industrialists. The agreement is the first involving the main UK toy assets of Dunelm, whose failure this year stemmed mainly from its U.S. ventures.

Pedigree and Comex now employ around 800 people, and Mr. Beecham said no more redundancies were expected. He will take part in the consortium as a minority shareholder, he added.

Interest in buying the companies from the receiver, Mr. Paul Shewell, of accountants Coopers and Lybrand, had been considerable, he said. "We are paying a high top price."

Mr. Beecham said production at Pedigree, which has a factory in Canterbury, Kent, and at Comex, in Peterborough, Cambs., had been continuing during Dunelm's troubles and would be stepped up.

Kitchenware jobs to go

JUDGE INTERNATIONAL, of Brierly Hill, West Midlands, is to make 58 workers redundant. It blames a slump in business.

The cuts, at staff and shop-floor level, will mainly affect the moulding side of the business. The company makes kitchenware.

Fodens starts 3-day week

FODENS, the Sandbach South Cheshire-based truck company, is to put its workers on a three-day week from Monday. About 2,000 people, the total hourly paid workforce, are affected by the move, which is blamed on a worldwide slump in the motor industry. The company has been on a four-day week for the past month.

Weather

UK TODAY
RATHER CLOUDY with bright intervals and scattered showers. Temperatures normal. London, S.E. and N. England, the Midlands and Anglia. Cloudy with rain in places, becoming brighter. Max. 20C (68F).
W. England, Wales, S. Scotland, Highlands, N. Ireland. Sunny intervals with scattered showers. Wind fresh. Max. 17C (63F).
N. Scotland. Cloudy with periods of rain. Strong or gale force winds. S.E. veering S.W. Max. 12C (54F).
Outlook: Changeable. Rather cool and windy.

| WORLDWIDE | | | |
|----------------|-------|-------|-------|
| | Y'day | Today | Y'day |
| Aleppo | S | 22 | 72 |
| Algiers | S | 27 | 81 |
| Amman | S | 26 | 75 |
| Athens | S | 26 | 75 |
| Bahrein | S | 35 | 85 |
| Barcelona | F | 22 | 72 |
| Beirut | S | 26 | 75 |
| Belfast | R | 13 | 55 |
| Bombay | R | 27 | 81 |
| Buenos Aires | R | 14 | 57 |
| Calcutta | R | 14 | 57 |
| Cardiff | R | 14 | 57 |
| Casablanca | R | 14 | 57 |
| Cebu | R | 14 | 57 |
| Chicago | C | 22 | 72 |
| Colombo | R | 13 | 55 |
| Dublin | R | 13 | 55 |
| Edinburgh | R | 13 | 55 |
| Geneva | R | 13 | 55 |
| Glasgow | R | 13 | 55 |
| Hong Kong | S | 26 | 75 |
| Imbros | R | 13 | 55 |
| Jersey | R | 13 | 55 |
| London | R | 13 | 55 |
| Lyons | R | 13 | 55 |
| Madrid | R | 13 | 55 |
| Manila | R | 13 | 55 |
| Mexico | R | 13 | 55 |
| Moscow | R | 13 | 55 |
| Mumbai | R | 13 | 55 |
| Nairobi | R | 13 | 55 |
| Paris | R | 13 | 55 |
| Perth | R | 13 | 55 |
| Port of Spain | R | 13 | 55 |
| Prague | R | 13 | 55 |
| Rangoon | R | 13 | 55 |
| Rome | R | 13 | 55 |
| Salt Lake City | R | 13 | 55 |
| Singapore | R | 13 | 55 |
| Stockholm | R | 13 | 55 |
| Sydney | R | 13 | 55 |
| Taipei | R | 13 | 55 |
| Tel Aviv | R | 13 | 55 |
| Tokyo | R | 13 | 55 |
| Toronto | R | 13 | 55 |
| Ulaanbaatar | R | 13 | 55 |
| Warsaw | R | 13 | 55 |
| Zurich | R | 13 | 55 |

RCA president goes after six months

BY IAN HARGREAVES IN NEW YORK

MR. MAURICE VALENTE, one of the top executives in U.S. business and heir apparent to the chairmanship of the huge RCA conglomerate, was unexpectedly kicked out of his job as company president yesterday because his performance was regarded as not good enough.

Mr. Valente, 50, joined RCA only in January after a long career with the International Telephone and Telegraph Corporation. He was head of ITT in Europe from 1974 to 1978.

It was assumed at the time of the appointment, which carried a remuneration package of \$400,000 a year, that he would understand Mr. Edgar Griffiths, RCA's powerful chairman, in preparation for taking over from Mr. Griffiths, 58, some time in the next few years.

Instead, Mr. Valente's career with RCA ended with this startlingly blunt statement: "It was the Board's unanimous decision that Valente's performance over nearly six months did not meet expectations in terms of the company's long-range needs and objectives."

It was decided that the creation of an office of the chairman would give RCA a more flexible management structure with a greater depth of operating and staff experience at the senior level.

Mr. Griffiths added that the resignation did not relate to the company's current performance, noting that RCA had had three consecutive years of record earnings, and "continues to perform well in today's difficult economic climate."

What the RCA board had decided, in effect, is to scrap the presidency and replace it with a team of five executive vice-presidents, three of them close to retirement and two the bright career RCA men to whom the company looks eventually for a leader.

One of the two younger men is Mr. Frank Olson, not yet 50, who has been responsible for the Herz car and truck rental business.

He will take over responsibility for the CIT financial corporation, which RCA bought for \$1.35bn last year. He will oversee a miscellany of other RCA operations in food and other areas.

Mr. Roy Pollack, 52, head of the company's electronics activities and responsible for the critical launch of RCA's videodisc player system next year, takes complete responsibility for RCA's electrical and electronics activities, including television and micro-electronics.

The other members of the office of chairman will be Mr. William Hittinger, 57, who heads the company's technical and research activities; Mr. Julius Koppelman, a highly-regarded director aged 63 who has apparently delayed retirement plans; and Mr. George Fuchs, head of industrial relations.

Although RCA has experienced steady sales and profits improvement in the last few years, earning \$278m last year on sales of \$7.45bn, it has a number of problems.

It has invested heavily in a videodisc system which it must market next year in the face of fierce international competition: its television business is under fierce pressure from foreign competition made worse by the recession; and its NBC Television subsidiary is still struggling to lift itself off the bottom of the ratings chart.

NBC also suffered a blow through its inability to televise the Moscow Olympics, which it had contracted to do.

Surge of car and steel exports cuts Japan's deficit to \$1.75bn

BY RICHARD C. HANSON IN TOKYO

SHARPLY HIGHER exports of cars and steel helped to narrow Japan's current account deficit to \$1.75bn in May from \$1.92bn in April.

The surge in exports, however, is showing strong signs of increasing the surpluses Japan is running with the European Economic Community, where warnings of renewed trade friction are already being voiced.

Exports, the main driving force behind Japan's still buoyant economy, were up in May by 27 per cent from last year's \$10.4bn, cutting the trade deficit to \$650m from \$831m in April.

Car exports emerged as single largest export product (18 per cent of the total last month), gaining 50 per cent over a year earlier. Steel exports, the second largest item, gained 28.3 per cent.

Although the increases in exports are measured in value terms, there has also been a steady rise in the volume of exports to Europe in recent months. This is causing concern to EEC officials monitoring two-way trade.

Exports to the EEC were 46.1 per cent higher than a year earlier, while imports from the EEC grew only 13 per cent.

As was the trend last year, the EEC deficit with Japan is increasing much faster than that with the U.S. Exports to the U.S. were up nearly 30 per cent but imports from the U.S. jumped 39 per cent, with large increases in a broad range of products.

While there are signs that the deficit in the current account continues to narrow, there is little chance it will disappear over the next few months because of the oil import bill.

Imports were 35 per cent higher at \$10.95bn, with oil accounting for 36 per cent of the total.

The long-term capital account in May showed a net inflow of \$1bn, compared with an outflow of more than \$2bn in April. This helped reduce the overall balance of payments from a record deficit of \$5.4bn in April to only \$250m in May. The seasonally adjusted balance returned to surplus (\$538m) for the first time since July, 1979.

Japan election, Page 24

Continued from Page 1

S. Africa

Coloured community to discuss their grievances.

Although there were reports of only minor disturbances in other parts of the country, a major strike by 3,500 workers at the Volkswagen car plant in Uitenhage has forced the factory to close until further notice.

The industrial unrest has now spread to three further factories in the area, including two motor accessory manufacturers. There is concern that the whole motor industry in the area, where Ford and General Motors also have their plants, could be affected.

The disputes are concerned with higher wages, but union leaders say that the Government's ban on all meetings actually sparked them off.

Reporting on the unrest has been seriously affected by a police ban on journalists entering black and coloured townships—except under escort—and a complete ban on all foreign journalists.

Continued from Page 1

Wages and prices

are expected to add about 2 per cent to the index in the year to August, of which more than 1½ per cent has appeared.

Consequently, the average level of basic wage increases is probably about 16 to 17 per cent. Reports from industry indicate that pay settlements have varied more widely about that average than when pay policy applied.

For instance, the Confederation of British Industry's pay databank shows that half the settlements in private manufacturing provide for rises of less than 15 per cent, and a third of manufacturing deals include a productivity component.

Similarly, the older earnings index covering 11m workers, mainly in production industries, rose by 18.6 per cent in the year to April, about 1½ points less than for the whole economy index.

John Elliott writes: CBI



Warning on salaries by State chairmen

By John Elliott, Industrial Editor

NATIONALISED industry chairmen are to warn the Government that the salaries of some of their board members will fall below levels being awarded to senior executives if substantial increases are not awarded soon.

They are angry that the Prime Minister has been turning their pay levels into an optical issue by discussing the Boyle report on top public servants' salaries in the Commons before they have been told what recommendations the report contains.

Sir Derek Exra, chairman of the National Coal Board, said last night: "We are in a great dilemma because we haven't seen the report. It's now being debated before anyone has seen it."

Sir Derek is chairman of the nationalised industry chairmen's group, whose executive committee considered the matter last night. The Boyle report is thought to contain proposals for rises of 20 per cent or more.

The chairmen know that the Government is considering the future of the Boyle Review Body as part of its examination of comparability pay systems, and they may argue that there is little point in having an independent review body if its recommendations are constantly altered by the Government.

Most nationalised industry chairmen have earned between £28,500 and £48,500 a year since April 1, and their board members' salaries in most industries such as airports, railways and ship-building fall between £22,750 and £34,500.

Continued from Page 1

Lloyds

Mr. Thomas, Mr. Green said, had studied the report and "intimated his wish to vacate the office of secretary general forthwith," rather than at the end of the year as planned. He did not wish to hold the title whilst unable to fulfil the functions of the office. He would devote his time to implementing the Fisher recommendations.

These are thought to include adapting the role of secretary general into a chief executive similar to the chief executive's role at the Stock Exchange.

The Fisher team will also have prepared a draft Act of Parliament and new bye-laws in an effort to tighten up Lloyd's regulations.

Mr. Green also indicated that the cost of the new Lloyd's building was rising dramatically from its original estimates of £45m in 1978.

Total projected costs were running at £70m and a review of the financing arrangements at present through bank borrowings and revenue, would take place later this year, before construction began.

Tesco becomes a big spender

By the close on Tuesday the stock market seemed to have accepted that Tesco's figures were going to be disappointing, and the share price at 59p made no response yesterday to the news of a fall from £37.7m pre-tax to £36.5m.

This outturn shows up poorly against Sainsbury's recent exceptionally good figures, although Tesco's large non-food Home'N' Wear business inevitably left it more exposed to the deteriorating retail climate. The grocery side remained buoyant, but second half pre-tax profits tumbled, almost a fifth as a result of the problems in non-food and the interest costs associated with the debt-financed expansion programme.

Tesco's underlying problem is that its continuing chase for market share has never generated the targeted improvement in margins. Back in 1973-74 it produced £24.6m (against a then £13.6m for Sainsbury) but although sales have risen by more than 3½ times in six years—and by as much as 27 per cent ex VAT in 1979-80—profits have only struggled up by around half. As for Sainsbury, pre-tax profits have reached £46m, and Tesco is also in imminent danger of being outstripped in profit terms by the upstart Asda.

The response by Tesco has been ambitious: a big spending programme costing £110m last year and maybe £150m this time, designed to raise net selling space by a third by 1984. The tactics include the closure of many small stores (some 55 went last year) and a shift back towards groceries—in the medium-sized branches (of 20,000 sq ft or so), where the mixed foods/non-foods formula no longer seems to work. At the superstore end of the market, Tesco is going as fast as it can, partly in order to mop up sites before the competition.

The spending spree means, however, that Tesco can no longer live within cash flow, and is short of work over the next year or so—although it may have to fill in gaps with lower margin subcontracting jobs. Vital to the longer term health of the business is the development with Government funds of the Sea King replacement in conjunction with Agusta of Italy, which Westland hopes will take it into the civil market by the end of the decade. Meanwhile, the shares yield a minimum 7½ per cent, and the market capitalisation is £56m.

Westland is at last producing the Lynx helicopter at a reasonably efficient rate, and the impact is showing through in the bottom line. In addition, its figures for the half year to March benefit from the absence of last year's exceptional firm deficit, and from a £1.3m swing in interest receipts which is the result of favourable progress payments. The result is pre-tax profits of £16.6m against £12.2m. And although the inflation-adjusted figures look a lot less impressive—historic cost earnings of £7.2m drop to £2.5m on a current cost basis—they still provide plenty of cover for a sharply higher dividend. So the shares jumped 14p to 94p yesterday.

Nearly a third of helicopter turnover in the period related to the original (disastrous) Lynx contract, and produced no return. This job is now finished, and Westland is reviewing the provisions totalling £17.9m which it made in 1977 and 1978 against the contract. It expects this will show a surplus, and the same applies to provisions which it also made against British Rail hovercraft.

Order intake for helicopters exceeded turnover in the half year, and the group does not now expect that the disappearance of the big Arab orders will leave it short of work over the next year or so—although it may have to fill in gaps with lower margin subcontracting jobs. Vital to the longer term health of the business is the development with Government funds of the Sea King replacement in conjunction with Agusta of Italy, which Westland hopes will take it into the civil market by the end of the decade. Meanwhile, the shares yield a minimum 7½ per cent, and the market capitalisation is £56m.

Johnson Matthey The renewed frenzy in the bullion markets in the New Year after the excitement of the autumn provided a double boost to Johnson Matthey. Following a rise of 78 per cent over the first nine months, pre-tax profits for the final quarter soared more than 150 per cent to £18.2m. The full year outturn of £38.6m emerges well above market expectations and the share price rose 16p yesterday to 308p, encouraged by a 75 per cent increase in the total dividend, which is more than three times covered by post-tax earnings and twice covered in current cost terms.

The improvement is well spread through the group's activities, although the divisions exposed to the bullion markets have clearly increased their proportional contribution to overall turnover and profits. The strain of the extra activity has shown through in a doubling of interest charges, as net debt has risen by three-quarters through the year, mainly to finance higher levels of more expensive stocks being processed. Nevertheless, net debt is slightly less than a half of net tangible assets, and since the end of March has dropped to about a third as the bulge of precious metal processing has been completed. This leaves the company looking aggressively for acquisitions, particularly in Northern America.

Index rose 4.1 to 473.1

net cash of £26m was turned into net borrowings of £22m last year, and the figure would probably pass £100m this year but for the likelihood of some major sale-and-leaseback deals. And there is still the worry that when the new capacity comes on stream the competition in food retailing will be correspondingly more vicious. The risks are reflected in a p/e ratio of only 8.4 on minimally taxed earnings; the yield is 6.1 per cent.

Westland is at last producing the Lynx helicopter at a reasonably efficient rate, and the impact is showing through in the bottom line. In addition, its figures for the half year to March benefit from the absence of last year's exceptional firm deficit, and from a £1.3m swing in interest receipts which is the result of favourable progress payments. The result is pre-tax profits of £16.6m against £12.2m. And although the inflation-adjusted figures look a lot less impressive—historic cost earnings of £7.2m drop to £2.5m on a current cost basis—they still provide plenty of cover for a sharply higher dividend. So the shares jumped 14p to 94p yesterday.

Nearly a third of helicopter turnover in the period related to the original (disastrous) Lynx contract, and produced no return. This job is now finished, and Westland is reviewing the provisions totalling £17.9m which it made in 1977 and 1978 against the contract. It expects this will show a surplus, and the same applies to provisions which it also made against British Rail hovercraft.

Order intake for helicopters exceeded turnover in the half year, and the group does not now expect that the disappearance of the big Arab orders will leave it short of work over the next year or so—although it may have to fill in gaps with lower margin subcontracting jobs. Vital to the longer term health of the business is the development with Government funds of the Sea King replacement in conjunction with Agusta of Italy, which Westland hopes will take it into the civil market by the end of the decade. Meanwhile, the shares yield a minimum 7½ per cent, and the market capitalisation is £56m.

Johnson Matthey The renewed frenzy in the bullion markets in the New Year after the excitement of the autumn provided a double boost to Johnson Matthey. Following a rise of 78 per cent over the first nine months, pre-tax profits for the final quarter soared more than 150 per cent to £18.2m. The full year outturn of £38.6m emerges well above market expectations and the share price rose 16p yesterday to 308p, encouraged by a 75 per cent increase in the total dividend, which is more than three times covered by post-tax earnings and twice covered in current cost terms.

The improvement is well spread through the group's activities, although the divisions exposed to the bullion markets have clearly increased their proportional contribution to overall turnover and profits. The strain of the extra activity has shown through in a doubling of interest charges, as net debt has risen by three-quarters through the year, mainly to finance higher levels of more expensive stocks being processed. Nevertheless, net debt is slightly less than a half of net tangible assets, and since the end of March has dropped to about a third as the bulge of precious metal processing has been completed. This leaves the company looking aggressively for acquisitions, particularly in Northern America.

Money is not our most valuable asset.

When your problem is more than just a question of money, come to Deutsche Bank, where precision is not only a long tradition. It's our most valuable asset.

Deutsche Bank AG
London Branch
10, Moorgate, P.O. Box 441
London EC2P 2AT, Tel: 606-4422

convertibles etc., foreign exchange, and international portfolio management.

Come to Deutsche Bank, where precision is not only a long tradition. It's our most valuable asset.

Deutsche Bank AG
London Branch
10, Moorgate, P.O. Box 441
London EC2P 2AT, Tel: 606-4422

Among our comprehensive services are time and notice deposits in all major currencies, short, medium and long-term loans (overdrafts, straight and roll-over loans, acceptance credits in £-stg, US\$, DM and other Euro-currencies with special emphasis on trade finance and forfeiting), placement and trading in foreign securities such as Eurobonds.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., 20, Abchurch Lane, London, EC4N 3DF.